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ABSTRACT

A study viewed the existing motor vehicle sector, structure, and trading conditions and identified and analyzed the best and most significant continuing vocational training practices in Ireland. In 1991, the motor vechic.e sector accounted for 6.2 percent of the Gross National Product. Employment in the sector has decreased from an estimated 24,000 in 1988 to 17,000 in 1992. The impact of legislation on the Irish motor industry was significant, requiring those engaged in the industry to cope with a wide variety of laws and statutory instruments. The industry has been well served by the statutory scheme for apprentices. Companies involved in four case studies were a component manufacturer, Nissan, Ford, and Volkswagen/Audi. Each case study described the case, the firm, providers of continuing vocational education, training policy of the firm, evaluation of the training concepts, and conclusions in relation to best practice and normal practice. The case studies demonstrated the organization of work at distributor level was very professional. At no time in the history of the motor industry in Ireland did polarization of skills (within trades) occur; all-round skills were found necessary for the survival of the dealership. The relationship between franchise dealers and the distributors was very good. The only regulated training was apprenticeship. Indicated trends were static or slightly increased employment in the motor vehicle sector and training needs that correspond to the overall development of vehicle technology and design. (YLB)

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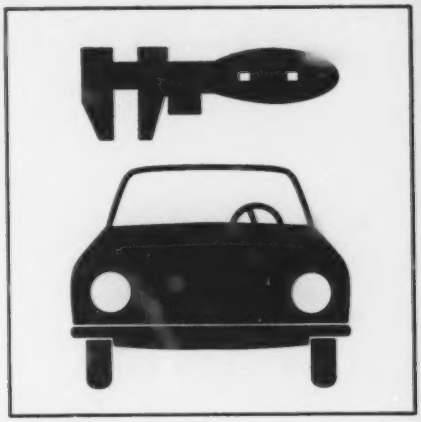
European Commission

IRELAND
REPORT

MOTOR VEHICLE REPAIR AND SALES SECTOR



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MOTOR VEHICLE REPAIR AND SALES SECTOR

TRAINING IN THE MOTOR VEHICLE REPAIR AND SALES SECTOR IN IRELAND

REPORT FOR THE FORCE PROGRAMME

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Commission of the European Communities
TASK FORCE
Human Resources, Education, Training and Youth
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under the responsibility of Felix Rauner, ITB – Bremen and in close collaboration with Tina Bertzeletou, CEDEFOP.

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The Irish Motor Distributors/Importers
The Trade Union Movement
The Motor Industry Working Party to the Engineering Industrial Training Committee
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CONTENTS

page

PART 1 – SECTORAL CONTEXT

1. Definition and scope of the sector 11
- 1.1 Introduction 11
- 1.2 Parameters of the study 11
- 1.3 Definition of the sector 12

2. Historical background and structure 14
- 2.1 The market and existing sales structure 14
- 2.2 Distribution channels and sales outlets 15
- 2.3 Structure of repair and service outlets 16

3. Representative organizations 18

4. Legislative and social context 19

5. Employment 21

6. Training and recruitment 22
- 6.1 Structure of training 22
- 6.2 New apprenticeships 25
- 6.3 Current trading environment and issues 28
- 6.4 Training in the motor industry – an overview 29

PART 2 – CASE STUDIES

CASE STUDY 1 31
- 1.1 General description of the case 31
- 1.2 General description of the firm 31
- 1.3 Providers of continuing vocational training (CVT) 33
- 1.4 Training policy of the firm 34
- 1.5 Evaluation of the training concepts 36
- 1.6 Conclusions in relation to best practice and normal practice 37

Appendices 38

CASE STUDY 2 39
- 2.1 General description of the case 39
- 2.2 General description of the firm 39
- 2.3 Providers of continuing vocational training (CVT) 43
- 2.4 Training policy of the firm 46
- 2.5 Evaluation of the training concepts 49
- 2.6 Conclusions in relation to best practice and normal practice 50

CASE STUDY 3 51
- 3.1 General description of the case 51
- 3.2 General description of the firm 51
- 3.3 Providers of continuing vocational training (CVT) 53
- 3.4 Training policy of the firm 54
- 3.5 Evaluation of the training concepts 58

Appendices 59

CASE STUDY 4

4.1 General description of the case
4.2 General description of the firm
4.3 Providers of continuing vocational training (CVT)
4.4 Training policy of the firm
4.5 Evaluation of the training concepts
4.6 Conclusions in relation to best practice and normal practice

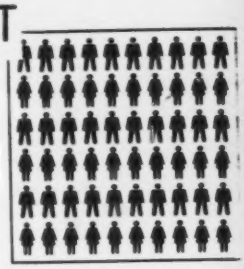
PART 3 – TRENDS

1. Conclusions of case studies
2. Summary conclusions
3. Appendices

3.1 Motor industry classifications
3.2 Summary of main characteristics and employment in motor vehicle sector
3.3 Vehicle population – Ireland
3.4 New vehicle registrations
3.5 Census of services 1988
3.6 Age of cars in use
3.7 Car density in Europe
3.8 Sketch plan of the Irish Motor vehicle sector

PART 1:

SECTORAL CONTEXT



1. **Definition and scope of the sector**
2. **Historical background and structure**
3. **Representative organizations**
4. **Legislative and social context**
5. **Employment**
6. **Training and recruitment**

1. DEFINITION AND SCOPE OF THE SECTOR

1.1 Introduction

This study traces the growth and development of the Irish Motor Industry and outlines its existing structure and its trading environment. It describes existing training facilities and the challenges and opportunities facing the industry which will dictate the industry's future training requirements. The recommendations of this study and the studies of the other member states will form a report on employment, work and training in the European Motor vehicle industry.

The study has been conducted under the FORCE programme, a programme for the development of continuing vocational training in the European Community.

Force has a twofold aim:

- to ensure that companies benefit from the skills and qualifications they require to maximize their economic performance and
- to promote recognition of the training needs, rights and aspirations of the individual worker.

The active participation of the motor industry in Ireland has been essential to the completion of the study particularly in respect of those dealers who allowed case studies to be conducted within their firms.

The information for this study was gathered during late 1992 and early 1993 and revised in certain chapters before publication.

1.2 Parameters of the study

The purpose of the study was to view the existing motor vehicle sector, its structure and trading conditions and to identify and analyze the best and most significant continuing vocational training practices that could be found in Ireland. The focus of the study was to deal with the six points of the social dialogue.

- Training plans and training concepts on workshop level

Are there training concepts for continuing vocational training on workshop level available for employees? Does the training plan take a global approach of training issues? Is there any kind of organization made to carry out continuing vocational training (CVT)?

- Interlinkage of training concepts and demand

How are training plans developed? How can they meet training demands? How are the needs analyzed?

- Target groups of training

What are the target groups for the training? Are all employees concerned?

- Contents of training programmes

What is the aim and the content of training programmes? To what extent do programmes meet the workers' individual needs as well as those of the firms?

- Costs of training

What is the cost of continuing vocational training?

- Evaluation of concept and costs

Is there any kind of evaluation of the costs, the training concepts and the results of the training? Are there cost-benefit analyses available?

The sector

Some of the most important facts for the definition of the motor vehicle sector on the level of repair and distribution are the size of firms and the type of firms;

The following classification of the firms' size was to be followed in the studies:

Type I 1 to 4 engaged persons
Type II 5 to 9 engaged persons
Type III 10 to 19 engaged persons
Type IV 20 to 49 engaged persons
Type V 50 + engaged persons

The repair and distribution sector firms were defined as follows:

A Subsidiaries of car manufacturers (controlled by car manufacturer).
B Subsidiaries of car manufacturers (independent from car manufacturer).
C Authorized repair and distribution workshops (independent but linked to car manufacturer/producer).
D General car repair workshops and independent workshops.
E Car dealers.
F Workshops specialized in the repair of components and aggregates.

Continual vocational training

In order to foster a coverage of the wide area of training offered in the motor vehicle repair and distribution sector, the study generally adopted the definition for the understanding of continuing vocational training (CVT) from another FORCE activity:

> "A structured activity, financed wholly or partly by enterprises, directly or indirectly, in order that the persons employed might improve, acquire or maintain their skills, knowledge or qualifications from time to time in their working lives".

The definition includes a number of different training activities important for the motor vehicle repair and distribution sector:

11

• Training managed and designed by training providers
Education or training courses designed and managed by colleges or other training organizations outside the enterprise;
Training provided by suppliers or customers. This is training designed and managed by suppliers to or customers of the enterprise;
Instruction at conferences, workshops, lectures and seminars where the primary purpose of the enterprise in sending an employee is to increase his/her knowledge or skills.

• Training managed and designed by the enterprise
Internal education and training courses designed and managed by (or for) the enterprise and available only to the employees of the enterprise;
Planned periods of training, coaching, instruction or practical experience, either at the immediate place of work or in the work situation where the primary purpose is to teach or develop new skills;
Planned learning through the organization of work – for individuals or groups of workers (e.g. job rotation, exchanges, quality circles).

• Training implemented by the enterprise and managed by the employee
Distance or computer-based learning (including enterprise supported access to internal (within the enterprise)) or external learning centres.

Methodology
The methodology and the selection of the case studies was defined by the central team (ITB) and agreed by the Irish team. The target survey was for Ireland to carry out 4 case studies modelled on good and normal practice of continual vocational training out of a selection of 10 firms.

Ireland – case studies
The selection of brand names chosen in Ireland were Ford, Volkswagen/Audi and Nissan. The number of case studies based on size of firms is as follows:

1 Study	: Type II	5 to 9 persons
1 Study	: Type III	10 to 19 persons
2 Studies	: Type IV	20 to 49 persons

Number of case studies based on types of firms
1 Study (A) Subsidiaries of manufacturers (controlled by manufacturers)
2 Studies (C) Authorized repair and distribution workshops (independent but linked to car manufacturer)
1 Study (F) Workshops specialized in the repair of components and aggregates.

Separate detailed case studies were carried out in these firms and the conclusions are part of this study.

1.3 Definition of sector

The Census of Services compiled by the Irish Central Statistics Office (CSO) for 1988 included five branches of the Irish motor industry in the classifications used for the retail trade.

The motor industry classifications used in the retail trade were:

- Motor vehicle sales
- Repair and service garage
- Filling station
- Motor tyres
- Car accessories

The salient features of the motor vehicle sector as revealed by the Census were (Table 1).

The motor industry classifications in the wholesale trade were:

- Motor vehicle, non-agricultural machinery and accessories
- Petroleum products

This report does not deal with the wholesale trade in non-agricultural machinery nor with the wholesaling of petroleum products. In the latter classification account is taken of a variety of products not relevant to the motor industry.

The wholesale distribution of motor vehicles and accessories embraces the following categories:

- Companies engaged in the importation and distribution of passenger cars and commercial

Table 1

Business	No. of outlets	Turnover excluding VAT millions	No. of persons engaged	No. of employees
Motor vehicle sales	777	878.1	7,260	6,911
Repair/service garage	1,769	181.2	4,804	2,977
Motor tyres	142	24.4	397	340
Car accessories	163	31.4	511	417
Filling stations	3,000	384.9	3,822	2,506
Wholesale vehicles & accessories	563	1,084.2	6,504	6,412

12

vehicles and components and parts therefore supplied largely by manufacturers abroad.

- Factories which wholesale motor parts and accessories to retail repair and service garages and to retail car accessory outlets.

2. HISTORICAL BACKGROUND AND STRUCTURE

1.

The retail branch of the motor industry got under way in Ireland in the early 1920's. Cars were imported in a fully built up condition until 1934 when the Government imposed high protective import duties in order to encourage the development of a vehicle assembly industry.
The assembly industry survived almost fifty years, including a fourteen year "moratorium" on the dismantling of high import duties granted to Ireland on its accession to the European Economic Community in 1970. The abolition of the duties and the removal of import restrictions in 1984 confirmed the view expressed over a quarter of a century previously by a Government Committee on Industrial Organization that by virtue of the additional costs involved in assembly and the relatively small scale of the domestic market, assembly was uneconomic and would not survive in a free market situation.

Consequently, all new cars sold on the Irish market since 1985 were imported in a fully built-up condition. The total number of new cars imported in 1991 was about 80,000. Of these, close on 7,500 were exported, mostly to Northern Ireland and Great Britain.

The only assembly still carried on is confined to two makes of heavy commercial vehicle of Japanese origin whose assembly is still viable because of the high protective Common External Tariff (CET) applied by the EC to imports of built up heavy commercial vehicles manufactured outside the Community.

The retail value of vehicle sales in 1988 was £878 million excluding VAT according to the Census of Services. The value this year (1992) is estimated at about £1,100 million.

At retail level, the trade in vehicle sales and repairs is largely carried on in single unit companies. Chain or group operation at retail level has enjoyed only limited appeal and success because the tight margins associated with the highly competitive nature of the retail motor trade did not provide for the management overheads involved in group operation. Again, the relatively small size of the domestic market prevented the development of sufficient sales volume to support such overheads.

It is interesting to note that while non-national companies have gained a foothold in other retail trades (notably food and drapery) there is no such involvement in the retail motor trade with the exception of limited activity in the fast fit branch of the trade.

European secondhand imports
The Irish motor trade has also had to contend with substantial imports from Great Britain and Northern Ireland over the past few years. Incentives to import arose from the greater variety of good used cars, particularly in Great Britain, frequent return home visits by Irish people working in Great Britain and, until recently, the relative weakness of the Irish pound against the British pound. Imports of used cars from Great Britain and Northern Ireland in 1991 amounted to over 10,000 units.

Non-european secondhand imports
The most significant development in the motor industry in the last couple of decades has been the importation into Ireland of large numbers of second-hand cars (and a small volume of second-hand commercial vehicles) from Japan. The import trade began in mid 1989, reached over 10,000 units in 1990, but began to decline in 1991 due to a number of factors including saturation of demand, a lack of confidence on the part of the motoring public on the availability of spare parts or in the likelihood of reasonable trade in values and significantly, the collapse of the pioneer and predominant importing company. The imports fell to less than 7,500 in the full year 1991, a drop of 25% on the previous year. There is however a continuing flow of second hand Japanese cars entering the country.

2.1 The market and existing sales structure

Vehicle population
According to the Department of the Environment, the number of motor vehicles of all kinds licensed for use on Irish roads as of 30 September 1991 was 1,096,852.

The number of passenger cars at the same date was 828,225. This is equivalent to 4.3 persons per car. The low density of the vehicle population in Ireland is highlighted by contrasting this ratio with the corresponding figure for the United Kingdom which stands at 2.5 and the EC average of 2.6. (See Appendix 7 for the full European Community comparison).

The average number of motor vehicles per each employee in car sales outlets is 120 (Census of Services 1988).

In addition to a relatively low density of cars, Ireland has also a relatively old vehicle population. 60% of the cars on Irish roads are older than 5 years. Of that, 46% are older than 7 years while almost 22% are older than 10 years. (See Appendix 6 for age of cars in use.)

The following is a comparison with Northern Ireland:
Table 2.1

Age of Cars	Republic of Ireland	Northern Ireland
Over 5 Years	60.5%	33.3%
Over 7 Years	46.1%	22.2%
Over 10 Years	21.8%	5.0%

Source: Department of the Environment Yearbook 1990.

The relatively high age of the vehicle population is contributed to by the absence of any mandatory regular testing of cars (now due to be introduced not later than 1998 to comply with an EC Directive) and the average age of second-hand cars imported into Ireland. For instance, three quarters of the cars imported in 1991 were 5 years old or more while 30% were 7 years old or more.

New car/van sales

The fluctuating fortunes of the Irish motor industry are best illustrated by the volume of sales of new cars and light commercial vehicles (vans).

Table 2.2

Year	New cars	New vans	Total
1981	106,074	9,058	115,132
1986	59,760	12,351	72,111
1990	81,211	24,935	106,146
1991	67,749	16,572	84,321

The Irish motor industry was "in the doldrums" from 1982 until 1989 when sales began to improve. The growth was continued in 1990, but economic recession aggravated by the glut of second-hand cars due to large scale imports set the industry back in 1991. The current year (1992) is unlikely to achieve the 1991 level of sales. (See Appendix 4 for full details of sales between 1981 and 1991.)

The following cars are available on the Irish market. Their share of the new car market in 1991 is also shown:

Table 2.3

Make	% Share of 1991 car sales
Alfa Romeo	0.4
BMW	1.2
Citroën	1.5
Daihatsu	1.4
Fiat	3.0
Ford	14.3
GM (Opel)	10.3
Honda	3.0
Hyundai	0.4
Isuzu	0.4
Jaguar/Daimler	< 0.1
Lada	0.2
Lancia	0.2
Lexus	< 0.1
Mazda	6.0
Mercedes Benz	1.2
Mitsubishi	4.1
Nissan	12.4
Peugeot	4.9
Porsche	< 0.1
Proton	0.1
Renault	4.0
Rolls Royce	< 0.1
Rover	1.3
Saab	0.3
Seat	0.6
Skoda	0.1
Subaru	1.2
Suzuki	1.2
Toyota	15.5
VW/Audi	8.5
Volvo	2.1
Yugo	0.1

Heavy commercial vehicles

The removal of import duties and import restrictions has had a serious impact on sales of new commercial vehicles. In 1991, sales were 2,356 compared with 3,499 in 1981 and 3,415 in 1990. Sales in the first six months of 1992 suggest that the market will fall to about 1,900 units for the full year.

Petrol/autodiesel

About 1.1 billion litres of petrol are sold through dealer outlets together with over 230 million litres of autodiesel. The market has not shown any dramatic swings in the last five years, but was at a much higher level at the turn of the 1980's. The major contributing factor to the decline in the market was undoubtedly the significant improvement in fuel performance. This was a result of the design and production of more fuel efficient engines, notwithstanding the fact that the number of vehicles on the road in that period increased by almost 20%.

Tyres

The Census of Services 1988 assessed the retail value of tyre sales in tyre shops at almost £25 million. No other published turnover figures are available although industry estimates suggest that the total value of tyres sold in all branches of the motor trade is in the region of £70 million.

Vehicle accessories

The Census of Services 1988 assessed the retail value of accessory sales in 1988 at £31 million. There are no reliable figures on the number of accessory outlets in Ireland.

Repairs

The Census of Services 1988 assessed the retail value of garage repairs and servicing at £181.2 million excluding VAT. No more recent data has been published, but it is unlikely that there has been any significant change apart from normal inflation.

2.2 Distribution channels and sales outlets

The following paragraphs outline the type, and estimates the number of distribution channels for

15

the various categories of motor industry products and indicate significant recent trends.

New cars/light commercial vehicles
These are sold mostly through "main dealers" franchised (or authorized) by the sale concessionaire/distributor/importer. There are approximately 662 main dealers in Ireland, the majority of them exclusive dealerships, selling only one make of new car. There is a relatively small number of dealers specializing in second-hand or used car sales. The Census of Services 1988 estimates the number of outlets engaged in vehicle sales – new and used – including commercial vehicle sales at 777.

It is not normal practice for the Irish branches of the major international car manufacturers to co-operate with or control retail outlets directly. Some may do so in isolated cases for limited periods because of gaps in the franchise or the financial failure of a dealer in an important area or region.

Virtually all new car sales are, therefore, handled by franchised dealers independent of car manufacturers/distributors.

Table 2.4 – Distribution of car sales outlets

Size type (No. of persons engaged)	Car sales outlet %
1 to 4 persons	36.8
5 to 9	26.1
10 to 19	25.2
20 to 49	11.9
50 + persons	0.0
Total	100.0

Source: Census of Services Act 1988

It can be seen that slightly more than half of the outlets (62.9%) have fewer than 10 persons engaged while only 11.9% have more than 20 persons engaged.

Heavy commercial vehicles
There are more than twelve different makes of heavy commercial vehicles on the Irish market; only four achieved sales in excess of 300 units in 1991. The vehicles are sold by the importer/distributor in many cases and also by franchised or appointed dealers. Almost as many second-hand trucks are imported (principally from UK) as are sold new. The trade is therefore extremely competitive and dealers are very dependant on sales of spare parts and repairs to maintain the viability of their businesses.

Petrol/autodiesel
There are just over 3,000 retail outlets at which petrol and autodiesel are sold. Of these, about 450 (15%) are owned directly by the oil companies and account for over 40% of total retail sales.

While curbs were placed on the ownership of retail outlets by oil companies for more than twenty years, the Irish Government in September 1991, on the advice of the then Fair Trade Commission abolished all controls on ownership or acquisition of petrol retail outlets. This will lead to the oil companies extending their direct control of the retail market and will place increasing competitive pressures on independent retailers.

Margins on the sale of petrol and autodiesel in most markets in Europe and throughout the world have traditionally been very tight. This situation is aggravated in Ireland by the relatively low figure of average sales per station, about 340,000 litres, only one third of average sales in UK stations. Many petrol station operators are using forecourt shops selling a wide range of groceries, confectionery and domestic fuels to provide a reasonable return for their investment and long trading hours.

2.3 Structure of repair and service outlets

Repairs/servicing
The Census of Services 1988 identified 1,769 repair and service garages. In addition, most of the 777 outlets identified as "vehicle sales" will have repair and servicing departments. A private survey carried out during November 1992 identified 1,436 repair and service garages. Of that total, 774 were non-franchised and 662 were franchised.

It is not the normal practice of the major car distributors (producers) to appoint "authorized" repair and distribution workshops outside of their dealer franchise network. Consequently, general car repair workshops may be regarded as wholly independent. These repair workshops obtain supplies of replacement parts from franchised dealers or, where branded parts are not necessary, from motor parts factors. However, 1 distributor has a total of 4 sales and repair outlets and 1 sales outlet operated by a separate company under its control.

Table 2.5 – Distribution of repair garages by size type

Type size (no. of persons engaged)	Repair garages %
1 to 4 persons	85.6
5 to 9 persons	12.2
10 to 19 persons	2.0
20 to 49 persons	0.2
50 +	0.0
Total	100.0

Source: Census of Services 1988

16

It can be seen that almost all repair garages (97.8%) have fewer than 10 persons engaged.

The repair and servicing departments attached to the franchised car/van dealerships secure the bulk of their custom from the business sector and from private purchasers of new vehicles who tend to "remain loyal" to the franchised dealer for the duration of the warranty period. Franchised dealers are striving to retain the custom of private purchasers after the catchment warranty period, but many purchasers switch their repair businesses to non-franchised and smaller garages after the warranty period for reasons of convenience or perceived lower charges.

The garage repair trade has consistently had the problem of trying to compete with non VAT registered outlets and moonlighters. In 1984, the government agreed to a novel arrangement suggested by the Society of the Irish Motor Industry (SIMI) to lower the rate of VAT on repairs carried out in a VAT registered outlet to 5% while retaining the then high rate of VAT (25%) on spare parts sold to non VAT registered persons. This provided a distinct opportunity to the VAT registered garage to compete with the "black economy" and the arrangement was viewed as highly successful by the trade and its representative body, SIMI. Unfortunately, the EC tax approximation proposals will mean that the standard rate of VAT will apply to garage repairs after 1992 and garages may find business slipping away once more to the black economy.

The classification "repair and service garage" incorporates an important branch of the motor industry – the body repair shops which specialize in crash repairs for insurance companies and private motorists. No published data is available regarding the number of such specialised outlets or their turnover, but it is estimated that there are about 150 outlets of a reasonable size. A good proportion of the larger franchised dealers also operate a body repair department. There are another estimated 200 independent outlets employing 1 or 2 persons. These figures were calculated by body repair suppliers.

There is no official count of the number of workshops specializing in the repair of components. A rough estimate would place their number at about 60 of which 30 are members of the SIMI (Society of the Irish Motor Industry).

Tyres

The Census of Services 1988 identifies 142 "motor tyre" outlets. Specialist tyre shops are to be found in the cities and large towns and account for the bulk of the retail sales of tyres. These outlets purchase their supplies from large wholesale distributors. A number of these distributors have their own chain of retail outlets, the largest company having 27 tyre shops under its direct management.

Car accessories

The Census of Services 1988 identified 163 car accessory shops. These are located mainly in large shopping centres throughout the country and cater largely for the do-it-yourself motorist and the car enthusiast.

Figure 1 – Society of the Irish Motor Industry

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17

3. REPRESENTATIVE ORGANIZATIONS

1.

The major organization representing the interests of the Irish motor industry is the Society of the Irish Motor Industry (SIMI) whose members are drawn from all branches of the industry including vehicle distributors, manufacturers and wholesalers of components and spare parts, car and truck dealers, repair garages, oil companies, filling stations and body repair shops. The SIMI has approximately 1,200 members.

Apart from its representative and lobbyist role, the SIMI provides a wide range of information and other services to its members including a specialized industrial relations service. It publishes a monthly journal "Irish Motor Industry" and supplies the industry with detailed statistics on new vehicle registrations. It awards medals, diplomas and certificates annually to motor mechanic apprentices and qualified mechanics.

• SIMI is a member of the world retail motor trade organization, the IOMTR, and the European Committee for the motor trade, CECRA, which is recognized by the EC as well as FIGIEFA. SIMI has also valuable links with UK and European manufacturer and dealer associations.

• The Irish Tyre Distributors' Association (ITDA) is the representative body of the wholesale tyre distributors.

• The Vehicle Leasing Association (VLAI) provides a forum for companies engaged in the leasing of car fleets to the business sector.

• The Car Rental Council is the representative body for companies engaged in the car rental business. It has close involvement with Bord Failte (the Irish Tourist Board) and is a member of the Irish Tourist Industry Confederation.

The Irish Tyre Distributors Association, the Vehicle Leasing Association and the Car Rental Council are all affiliated to SIMI and a representative of each body is co-opted annually to the National Executive Council of SIMI.

• The Institute of the Motor Industry is also affiliated to the Society of the Irish Motor Industry as a professional education body.

4. LEGISLATIVE AND SOCIAL CONTEXT

The impact of legislation on the Irish motor industry is significant, requiring those engaged in the industry to cope with a wide variety of laws and statutory instruments. The principal legislative features are outlined in the following paragraphs:

Excise duty orders

The high excise duties which were originally designed as protective duties to ensure the maintenance of motor assembly, but which since 1970 have a revenue raising function solely, are generally accepted to be the principal contributing factors to the relatively low level of new car sales.

The current rate of excise duty on cars up to 2 litres is 20% of the full manufacturer's recommended price (including the duty and VAT). The effect of this cascading tax is that the duty and tax add 60% to the pretax price of the car. The combined effect of the higher excise duty (24.7%) and VAT on cars over 2 litres is to add almost 73% to the pretax price.

While high taxes on new cars were for a long time justified by "official circles" on the basis of balance of payments considerations, this justification no longer applies because Ireland has been in trade surplus for several years and it is not now relevant in the context of a Single European Market. However, the government does not appear anxious to take the risk of reducing new car taxes in the expectation that sales will rise to a sufficient extent to produce the same tax yield even though a significant rise in sales would provide the opportunity for a large number of extra jobs in the motor industry.

Most motorists and potential car purchasers anticipated that the EC tax approximation proposals would enable them to buy new cars in Ireland at roughly equivalent prices to those prevailing in the UK and other EC member states. However, this expectation will not be realised, as the Irish Government in conjunction with a number of other EC member states have secured the approval of the EC to substitute first registration taxes for the excise duties which must be abolished by the end of 1992 when border customs controls are due to be eliminated.

The Irish motor industry will, therefore, have to continue for some years at least to cope with the inhibiting effect of high taxes on new car demand.

Sale of goods legislation

The Sale of Goods and Supply of Services Act 1978, essentially a modern charter of consumers' rights, has had a major impact on the motor industry because of the high price of the product it sells. The legislation can create particular problems for dealers selling used cars as buyers become increasingly reluctant to tolerate any defects even of a relatively minor nature.

Road traffic legislation

The motor industry has to be familiar with a wide variety of regulations made under Road Traffic Legislation in connection with the use and equipment of motor vehicles.

Regulations made in 1992 make it an offence for a motor dealer to supply, or offer to supply, a vehicle which does not conform to the many regulations prescribed under the Road Traffic Laws.

Employment laws

In common with other industries and trades, employers in the motor industry are subject to a wide variety of laws which provide for minimum standards and conditions of employment. These laws include:

- Holidays (Employees) Act 1973 – 1991
- Payment of Wages Act 1979
- Juries Act 1976
- Safety Health & Welfare at Work Act 1989
- Conditions of Employments Acts 1936 & 1944
- Safety in Industry Act 1980
- Protection of Young Persons (Employment) Act 1977
- Maternity Protection of Employees Act 1981
- Anti-Discrimination (Pay) Act 1974
- The Employment Equality Act 1977
- Minimum Notice and Terms of Employment Act 1973
- Unfair Dismissals Act 1977
- Redundancy Payments Acts 1967 – 1982
- Protection of Employment Act 1977
- Transfer of Undertakings S.I. No. 306 1980
- Protection of Employees (Employees Insolvency) Act 1984
- The Factories Act
- Apprentice Training S.I. No. 28 1962
  (In force under the Industrial Training Act – entry, age, qualifications, instruction, period of apprenticeship, dismissal, rates of pay)
- Worker Protection (Regular Part-time Employers) Act 1991
- Joint Labour Committee 1990

In addition to the above laws, there are other regulations which affect the motor industry:

- Finance Act 1968
- Registration of Business Names Act 1963
- Sale of Goods and Supply of Services Act 1981
- Companies Act 1963/1991
- Dangerous Substances Regulations
- Consumer Act 1978
- Road Traffic Act 1991
- Product Liability Act 1990

19

1.

Industrial relations

The principal trade unions catering for employees in the motor industry are:

- Services Industrial Professional Technical Union (SIPTU)
- Union of Motor Trader Technical and Industrial Employees (UMTTIE)
- Automobile, General Engineering and Mechanical Operatives Trade Union (AGEMOU)
- Almagamated Engineering Union (AEU)
- Amalgamated Transport and General Workers Union (ATGWU)
- National Engineering and Electrical Trade Union (NEETU)

The unions negotiate with the Employers' Representative Organization (SIMI) on national wages and conditions agreements and in individual company situations. In recent years, these negotiations have been influenced largely by the agreements concluded by the government and the social partners under the Programme for National Recovery and the Programme for Economic & Social Progress (PESP)

The continuing trading difficulties experienced by the motor industry since 1980, resulting in the closure of many large motor companies and the termination of motor assembly in which about 4,000 workers were once involved, has reduced considerably the scope for organization of the work force in the motor industry. It is estimated that only about 40% of the workforce at retail level and 20% at wholesale level are members of trade unions.

5. EMPLOYMENT

The Census of Services provides the following data on employment in the motor industry in 1988.

Table 3.1

Classification	No. of persons engaged	No. of persons employed
Motor vehicle sales	7,260	6,911
Repair & service garage	4,804	2,977
Filling stations	3,822	2,506
Motor tyres	397	340
Car accessories	511	417
Wholesale vehicles & accessories	6,504	6,412
Total	23,299	19,563

Industry estimates put total employment (numbers employed as distinct from numbers engaged) in 1992 at about 17,000 persons indicating the toll which the recession and the trading difficulties of the motor industry have taken on employment levels.

The Census of Services does not provide a detailed analysis of the categories of employees in the vehicle sales outlets and repair garages. The following analysis are the 1992 estimates:

Table 3.2

Apprentices (all categories – light, heavy, body repair etc.)	2,269
Mechanics/technicians	4,600
Salespersons	1,200
Partspersons	1,000
Administration – clerks	700
managerial	300
Unskilled workers	1,000
Total	11,069

Source: FAS

Note: The industry does not at present distinguish between the category of "motor mechanic" and the category of "technician", but some moves are afoot which may lead to that distinction in future years.

Apprentice motor mechanics

An important function of the Irish motor industry is the training of the motor mechanics of the future. Young persons who complete their registered apprenticeship have the necessary skills of a motor mechanic, but are also much sought after by other industries for engineering maintenance work because of these skills and their adaptability. In recent years over 300 motor mechanics have been employed by the aeronautical industry.

When new car sales are buoyant every branch of the motor industry seems to prosper and jobs are created. This is illustrated by the fact that in 1980 when new car sales were in excess of 92,000 (compared with 65,000 this year) over 4,000 motor mechanic apprentices were employed. In the lean years of the eighties, this number dropped down steadily until it reached only 2,000 in 1989 and it is estimated that, currently, 2,269 persons (including some 140 registered light vehicle body repair apprentices) are registered as apprentices. Such a low level of apprenticeship recruitment by the motor industry is likely to give rise to a scarcity of qualified craftsmen in future years when, inevitably, new car sales return to more realistic levels as it becomes necessary to replenish an ageing car population.

21

6. TRAINING AND RECRUITMENT

1.

6.1 Structure of training

Apprentices

The motor industry has had for many decades a formal system of training for potential motor mechanics through a registered apprenticeship scheme which has produced a regular flow of skilled mechanics, qualified to maintain the national vehicle fleet.

In the 1950's, the motor industry itself had established its own apprenticeship registration scheme and handed over all its records in 1963 when recruitment and training were brought under state control.

This function is now the responsibility of An Foras Aiseanna Saothair (FAS), the State Training and Employment Authority, and the Department of Education. FAS is advised by a number of committees. Their main role is to recommend to industry and assist FAS in relation to the engineering industry of which this sector is a part. There is an engineering and industrial training committee which has a working party specifically dealing with matters relating to the motor industry.

There is a prescribed minimum age (15 years) for entry into apprenticeship and specified minimum educational qualifications. There is a scheduled programme for the minimum instruction and practice which apprentices must receive. Employers must release their apprentices for attendance at courses of instruction in Regional Technical Colleges or Technical Schools either by way of block release or day release.

Applicants to the trade of Light Vehicle Body Repairer (Panel Beater) are now eligible for registration in the same way as motor mechanic apprentices.

FAS has made provision for first year off-the-job courses for motor apprentices in its training centres. While many employers have a high regard for these courses (due in some measure to the excellent facilities and equipment in the training centres) other employers prefer that their apprentices spend as much of their first year as possible in the working environment.

Apprentice numbers

The apprentice population of all categories of motor mechanics is as shown in the following tables.

Table 4.1

1988	1989	1990	1991
2,104	2,088	2,175	2,269

Source: FAS

Table 4.2 – The apprentice population of all categories of motor mechanics by year of apprenticeship

Year	1991
1st	426
2nd	638
3rd	626
4th	579
Total	2269

Table 4.3 – First year population of apprentice motor mechanics from 1988–1991

1988	1989	1990	1991
413	431	430	426

Table 4.4 – Attendance by motor mechanic apprentices on block and day release

Mode of release	Year			
	87/88	88/89	89/90	90/91
Block	431	421	361	403
Day	1223	1200	1581	1600

Table 4.5 – Total registered apprentice motor mechanics by category on 31/12/91

Type	Year of Apprenticeship				
	1	2	3	4	
Motor mechanic	335	492	468	451	1746
Agricultural mechanic	28	42	45	34	149
Heavy vehicle mechanic	45	69	73	51	238
Light vehicle body repairer	18	35	40	43	136
Total					2269

Apprentice rates of pay

Rates of pay for apprentices as a percentage of craftworkers wages:

1st year = 33.3%
2nd year = 50%
3rd year = 75%
4th year = 90%

New apprenticeship proposals

The latest proposals are for a standard-based apprenticeship in line with European practice which will lead to a National Craft Certificate.

22

Table 4.6 – Estimated distribution of apprentices to the motor trade on 31/12/91 by county

Carlow	13	Longford	4
Cavan	35	Louth	69
Clare	12	Mayo	52
Cork	207	Meath	70
Donegal	45	Monaghan	21
Dublin	758	Offaly	24
Galway	142	Roscommon	26
Kerry	44	Sligo	29
Kildare	87	Tipperary	74
Kilkenny	30	Waterford	76
Laois	17	Westmeath	57
Leitrim	14	Wexford	65
Limerick	140	Wicklow	50
		Total	2269

The following is a breakdown of apprentice numbers attending 4 centres which cater for 54% of the total apprentice population:

Table 4.7

Centre	Apprentice numbers	% of Total
Dublin	758	33
Cork	207	09
Galway	142	06
Limerick	140	06
Total		54

Continuing vocational training (CVT) general

The majority of the distributors and their training schools are located in Dublin, the capital city. Also located there is the largest public training centre, the headquarters of the S.I.M.I., FAS and most of the trades unions. Dublin caters for a high proportion of dealer outlets comprising 26% of the countries total, of which 21% are franchise dealers and 30% are non-franchise dealers.

Where public centres operate CVT schemes, it offers great advantages for the non-franchise dealers as it is one of the few ways of updating staff. These courses also assist and supplement the franchise dealers training and are of enormous benefit. In other cities where the number of craftpersons and apprentices are plentiful, there are greater opportunities also for attending CVT training schemes operated by public centres. Unfortunately, there are cities where CVT is not available mainly due to the lack of numbers to form training groups, and distributor CVT is necessary. This creates hardship for non-franchise dealers, as vital information is not readily available to them.

Apprentices are encouraged during apprenticeship to attend CVT courses, in their own time at basic and intermediate levels at public centres, so that they will be in a position to understand the latest technology and achieve technician certification and/or special awards, available only to those who pursue these courses.

• State and semi-state companies
The tendency within government-linked companies is to increase the time available for training of its workers. The number of training days per year would normally be higher than in the private sector. The rewards for apprentices are also greater in as far as they may be given extra time to study and receive remuneration for examinations passed. This leads to greater confidence and additional participation in study and generally gives rise to increased awareness of the value of CVT leading to continued vocational training for personal reasons.

• Importance of national qualifications (CVT)
The SIMI on behalf of its members encourage member firms to attend CVT courses which grant national and international certification. They also provide a bursary for young people to continue their education of national certification. When promotional prospects in the industry occurs, national qualifications are very much sought after.

• Public centres (CVT)
There is a considerable volume of continuing training courses available for all categories of employees in the motor industry at technical/parts/management level. The following day and evening courses are provided by the Dublin Institute of Technology, Bolton Street, Dublin – the largest public centre in the country.

- Motor vehicle parts personnel
- Motor vehicle craft studies – diagnostic techniques
- Motor vehicle craft studies – compressed air systems, compression ignition engines, fuel injection equipment
- Motor vehicle craft studies – electricity/electronics
- Motor vehicle engineering
- Technological certificates in motor vehicle engineering
- Motor industry management studies, certificate & higher certificate
- Road transport studies.
- Full-time technician and management diplomas

In recent years a number of specialized courses provided by the college have been attended by distributor and trade personnel.

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A number of these courses are also provided by the Regional Technical Colleges throughout the country.

The main courses offered to the automotive sector by the Fas Training Centres are:

- Business enterprise & secretarial courses
- Computers
- Driving
- Management
- Languages
- Electronics
- Panel beating
- Stores
- Selling techniques
- First year off-the-job courses for apprentices

FAS – provides an employers training and support scheme. Companies who are eligible may be funded for attending training programmes.

Courses pursued at the College of Technology and Regional Technical Colleges are also covered by the training and support grant.

Continuing vocational training (CVT) distributors

The motor distributors run many courses for their franchised dealers and employees. Because of the necessity to guarantee vehicle purchasers and an adequate after-sales service much of the training relates to sales/technical matters involving repair and servicing. Courses of a technical nature will cover topics such as engine management, fuel injection systems, diesel engines and automatic transmission. Many of the larger motor distributors have their own in-house training centres or hold their courses at regional centres using the facilities of FAS Training Centres and Regional Technical Colleges. One advantage of this arrangement is that the instructors from the training centres or the Colleges may be invited to sit in on the courses thus helping them to update their knowledge of new developments. The tendency in recent years is to have no course more than two days in duration. The courses are broken into a series of levels and attendance is necessary at the lower level before one can progress. Some of the distributors use their training schools only, while others travel the country providing CVT in garages. In such cases most of the training can be of 1–2 hours duration and a number of premises can be visited each day.

The amount of training arranged by distributors on behalf of their dealers in the areas of sales and general management is rather limited. The stagnant vehicle sales situation in recent years has led to cost economies in training with the main emphasis now being placed in the technical area. However, a number of distributors make available "Programmed Book Training" facilities for their dealers. There is a growing use of videos for the purpose of training dealers and staff in relation to new model details.

Structure of trade associations – CVT

The main trade association – the Society of the Irish Motor Industry – provides a lobbying and industrial relations support service for the industry. Training is not a function of the society, but in recent times they have become involved as the demand has arisen. The demand is monitored by the requests from members i.e. 1992/93 Programme of Training is shown below.

Vehicle sales training

Course	Duration	For whom
Sales motivation	1 day	Junior & senior staff
Vehicle sales & preparation	1 day	Junior & senior staff
Selling skills	1 day	Junior & senior staff
Customer legislation and customer problem workshop	.5 day	Management with responsibility for customers
Sales management	1 day	Sales managers for sales teams

Management training

Time management	1 day	Management & administrative staff
Computers for the motor industry	2 days	Service management
Requirement of dismissals legislation	1 day	Service management
Employee problem "workshop"	.5 day	Service management

Health & safety

First aid training	1 day	Any member of staff
Safety statements	2 days	Senior management

Over the past ten years, the Society of the Irish Motor Industry has arranged regular visits by its members in the body repair business to the Thatcham Research Centre in the United Kingdom. This organization was established by the Motor Insurance Research Association to promote the use of more efficient repair methods and to encourage motor manufacturers to design body components which are less costly to repair. The Thatcham visits enable Irish repair shops to see how major body repairs can be carried out in the most efficient way and to study the latest technology and techniques in body repair. The Thatcham Research Centre has a number of useful videos on repair techniques which SIMI make available to their members.

Specialist companies – CVT

Companies engaged in specialized aspects of training e.g. auto electronics, equipment suppliers, also conduct training courses for mechanics and auto electricians, some in-house and others "off site" in FAS Training Centres and Technical Colleges. Independent garages which are not be affiliated to a vehicle franchise may have a difficulty in keeping up-to-date on all the latest developments and techniques in engine management systems. The independent garages will face an uphill struggle for survival unless they invest in electronic diagnostic equipment and have their mechanics trained in its use. At least one specialist supplier who has developed a commercial "package" of equipment, essentially for the benefit of the independent garages, provides training courses of up to two days duration in the function and use of the equipment.

Insofar as tyre shops are concerned, there are no formal training schemes in operation. Equipment suppliers will describe and explain new repair techniques associated with their equipment, while tyre manufacturers may arrange for occasional visits by experts from abroad.

Trade union CVT

Recently, under the Force programme, the Irish Congress of Trade Unions have received funding for training related programmes to promote upgrading of skills for its members under the heading "Training for Marginalised Workers". This scheme is for engineering craft workers. At present, the unions have representatives on all the engineering committees and are pursuing funding for motor industry training as well.

In other institutions

For national qualifications, other institutions are used, mainly public centres. The courses are usually 1 year long and take 30 weeks to complete i.e. 2/3 nights per week of 3 hours duration. This form of long duration course seems to be changing to short courses in specified subjects or a modular-based approach.

6.2 New apprenticeships

Introduction of standards-based system

The Board of FAS, following a request from the Minister for Labour, undertook a major review of the whole system. This culminated in the publication in December 1989 of a Discussion Document on Apprenticeship. During 1990, extensive discussion and consultation took place with interested bodies throughout the country. Further discussions then took place within the FAS Board which led to the adoption of proposals which were submitted to the Minister for Labour. In 1991, the Minister for Labour announced the introduction of the new apprenticeship system. It is intended that the new system will come into effect in 1993. A National Apprenticeship Advisory Committee was established to advise the Board of FAS on the implementation of the new system.

The details of the new system are now being discussed. The broad approach will be based on

- standards achieved rather than time served
- a satisfactory balance between the supply of and the demand for apprentices
- and a reduction in the financial cost to the state while maintaining quality as indicated in the Discussion Document outlined below.

The introduction of this standards-based system will allow for nationally recognized certification based on uniform industry-agreed standards.

The proposed model is designed to provide a broad-based training during the initial stages of apprenticeship, with opportunities to develop specialist skills in the later stages. This modular approach allows for flexibility and cross-skilling where required and provides the basis for on-going updating of skills. Specified standards will have to be attained and assessed during both on and off-the-job training modules. This is a particularly important aspect of the proposed system.

It is designed so that only those who achieve the specified standards at each level can become craft workers. The National Craft Certificate will be awarded when apprentices pass the necessary tests.

Modules

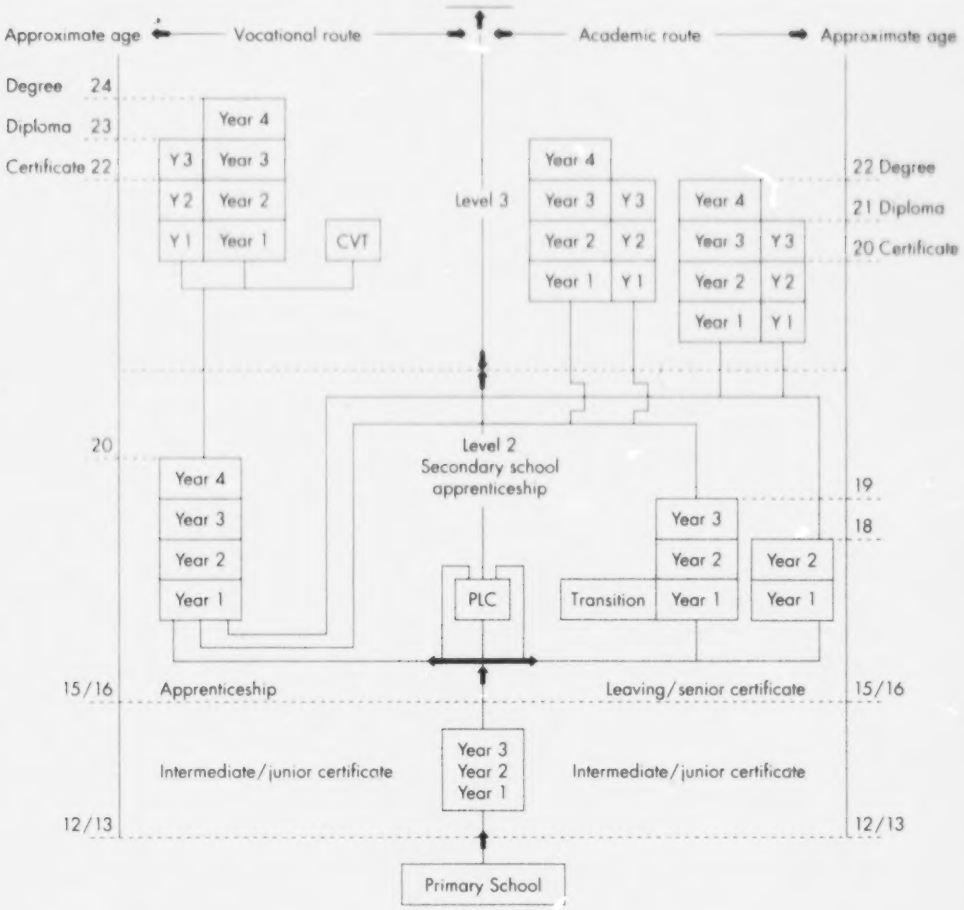
Prior to undertaking the modules as described, it is desirable that a prospective apprentice would spend a short period in employment, gaining industrial experience.

Module content

• Module 1 broad based training module
This module will provide:
– an introduction to work in the sector for which the apprentice is being trained;
– a foundation for more in-depth training in specific trades;
– basic training in a range of skills relevant to the apprentice;

• Module 2 basic skill development module
This module will provide the apprentice with:
– a broad range of skills associated with each trade;
– a training which is integrated with theory sessions, reinforcing practical demonstrations;
– up-to-date training based on curricula which is highly relevant to work in industry;

Figure 2 – Structure of education, full-time education route since 1992



Level 3 Certificates = 2 years
Diplomas = 3 years
Degrees = 4 years
CVT = Lifetime
Apprenticeship = 4 years
PLC = 1 year

• Module 3 development of skills module A
This module will provide the apprentice with supervised experience in a work environment. Apprentices will require very careful supervision from craft workers.

There will be set standards of competency which an apprentice must achieve during this period. An apprentice will complete core projects which will be checked by a craft supervisor. An industry-based assessment system will be developed. It will be important that apprentices are well prepared to undertake Competency Test 1 during this module.

• Module 4 further skills development module
This module will provide the apprentice with more advanced skills training, off-the-job. The emphasis will be on the development of analytical, fault-finding and diagnostic skills.

• Module 5 development of skills module B
An apprentice will further develop the skills learnt while off-the-job. Specified competency standards will have to be attained and assessed. The apprentice will be prepared to take Competency Test 2 during this module.

• Module 6 specialist skill development modules
These modules will allow apprentices to specialize in further relevant skill areas. Apprentices will undertake two or three modules which will not be restricted to their specific trade. Rather, employers and apprentices will have the opportunity to develop technological skills relevant to their needs. A pre-technician module will be one of

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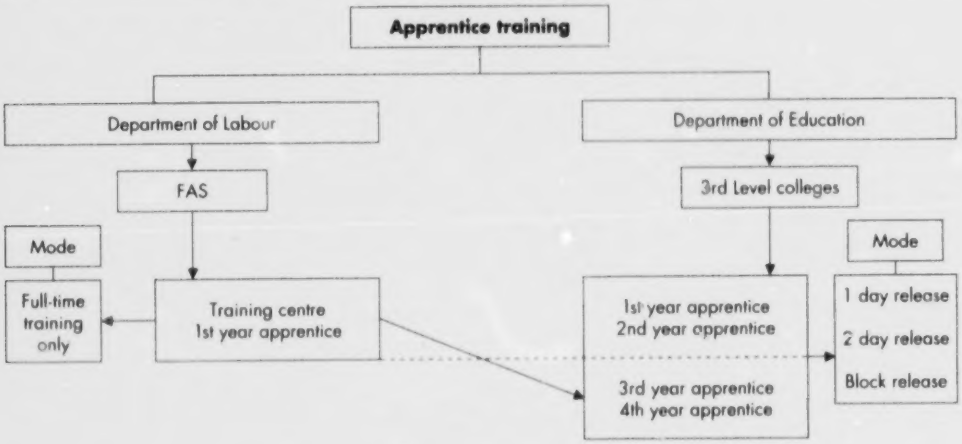
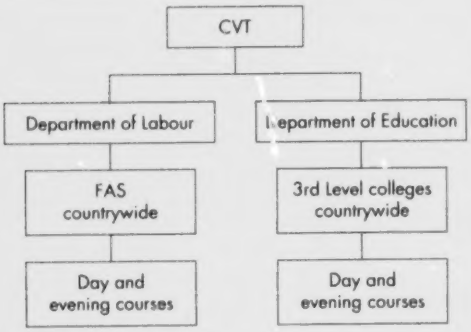
Figure 3 – Structure of public centres





the specialist skill options which will prepare apprentices for technician-level training.

Duration

The length of time taken to attain the required competencies will determine the length of the apprenticeship. This is expected to vary by trade and by the individual's performance.

Assessment and certification testing system

It is proposed that an apprentice would have to undertake a progression of competency tests, the passing of which would culminate in the award of the National Craft Certificate. Full craft status would not be afforded to any individual by employers or trade unions in the future unless he/she had been awarded the National Craft Certificate.

Tests will be designed to assess competence in practical skills and knowledge or related theory, covered in off-the-job training, on-the-job training and work experience.

Standards to be achieved

The object of these proposals is that a person must perform a defined range of tasks to a specified standard in order to be qualified as a craft worker. This standard will define the core competencies required within a specified trade, for the award of the National Craft Certificate.

The standards will be drawn up through agreement between employers, trade unions, the Department of Education and FAS.

Design of competency tests

It is proposed that the attainment of the approved standards will be formally measured through a system of skill tests, i.e. Competency Test 1 and 2 and in-house tests on completion of off-the-job modules. Emphasis will be placed on measurement of an apprentice's practical skills. However, it will be necessary to ensure that all the tests cover a comprehensive range of skills and knowledge as specified for each trade.

Funding

Discussions have taken place between government and the social partners concerning the funding of the new apprenticeship system. Broad agreement has been reached to introduce a 0.25% levy on employers in the four principal industries in which apprentices are employed. This would fund the off-the-job wage costs of apprenticeship.

Note

It is important to emphasise that no decisions have yet been taken about the detailed structure and conditions relating to the new apprenticeship

system. A considerable amount of discussion is still continuing between the industrial, union, educational and training partners as to the final delivery, testing and certification of the scheme.

6.3 Current trading environment and issues

The Irish motor industry has always been one of the most competitive in Europe. Since 1984, it has operated in a totally open market with no restrictions placed on the importation of vehicles either commercially or by private individuals. It has been able to survive through this period when new vehicle sales were sluggish, but a significant number of new makes and models entered the Irish market. More significantly, it has survived, with relatively few casualties, the development of large scale imports of second-hand cars from Japan, which threatened to undermine the whole market. Compared with 1984, when total second-hand car imports amounted to a couple of thousand, the years 1990 and 1991 saw imports reach a level of 20,000 equivalent to between 25% and 30% of new car sales.

At the end of 1992, customs borders were eliminated and motorists were free to bring cars in from Europe without any border formalities. They are of course required to pay the first registration tax which the Irish Government have introduced in substitution for the existing excise duty, but this registration tax will be neutral in its impact on "locally generated" and imported used vehicles. It is difficult to assess at this stage to what extent the absence of border formalities will encourage a marked growth in used vehicle imports, but it will certainly be an incentive rather than a deterrent.

A question hangs over the future of exclusive vehicle dealerships. For a period of ten years from January 1985, the European Commission gave a "block exemption" status to exclusive dealership agreements provided they conformed to certain conditions and provided the existence of the system did not lead to price discrimination in the different members states. Consumer lobbies have argued that manufacturers have used the exclusive dealership system to maintain high vehicle prices in some markets and the commission has indicated – or at least hinted – that the exemption of these agreements after 1994 cannot be guaranteed.

If exclusive dealerships were declared to be anti-competitive by the EC, then dealers would be free to accept more than one make of car at the same premises. At present, the motor manufacturer/distributors with a good market share, insist that their dealers do not handle other makes of cars. Smaller manufacturer/distributors will not impose such a condition knowing that their dealers would find it impossible to operate in an economic and viable manner selling only cars which had an insignificant share of the market. Many dealers would welcome the greater bargaining strength which more than one make of car would give them; other dealers would prefer exclusivity which gives them a protected market and ensures a degree of commitment and support from their manufacturer/distributor. This might not be matched if they were handling competitive makes.

One of the main targets of the "Green Lobby" in the late 80's and the 90's has been the motor vehicle with its consumption of natural resources and the pollutant effect of its emissions. Motor manufacturers have made considerable strides in improving engine design so as to make vehicles considerably more fuel efficient and are now in the process of fitting catalytic converters to all new models to ensure a dramatic reduction in emissions of noxious gases. However, it is likely that governments will insist on even more rigorous emission limits which may lead to higher prices for the more sophisticated control equipment which will be required.

Traffic congestion which causes costly hold-ups (and increased pollution) is producing steady demands from environmental and other interests for controls on the use of private cars in cities and large towns with some interests calling for a total ban on private car usage in large urban areas during the day. There have been demands for the cancellation or curtailment of major road expansion plans. If the government should give way to any of these demands, what will the impact be on the desire and demand for private car ownership?

One welcome development for the Irish motor industry is the announcement by the Irish Government of plans to introduce the mandatory regular testing of private cars not later than the end of 1998 in compliance with an EC Directive. It is anticipated that the scheme will be introduced on a phased basis starting with cars over say seven years in 1996 and with cars over four years in 1998, the testing being required every two years. It is felt that with the level of secondhand imported vehicles continuing to rise it is necessary now more than ever to introduce vehicle testing.

The introduction of car testing – following the introduction of light commercial vehicle testing in 1993 – will bring a welcome boost to the car repair business. It should also remove from Irish roads many unsafe cars which will create a demand for new cars as motorists "trade up".

It is not yet clear how the mandatory testing scheme will be administered. Will it be administered by local authorities, as with the commercial vehicle tests, with the authorities appointing approved garages or will administration of the scheme be handed over to a private agency which might decide to appoint as testing stations businesses which were independent of repair and servicing operations? Either way, the scheme

will bring practical benefits to the Irish motor industry.

As indicated already, major improvements and developments in vehicle and engine design have been introduced in recent years and further developments must be anticipated. More sophisticated electronics are being used in engine design and in other parts of the vehicle. ABS braking systems are being fitted to more and more vehicles together with a wide range of other safety devices. Inevitably, there will be an increase in in-vehicle traffic management systems, designed to enable motorists to find the shortest and least congested route to their destination. All of these developments place an increasing responsibility and liability on the Irish motor industry to study and master the latest technology and to ensure that the technicians and mechanics in the industry have the necessary diagnostic and other equipment which will be necessary and that adequate training facilities will be available.

6.4 Training in the motor industry – an overview

On the whole, the motor industry has been well served over the years by the statutory scheme for apprentices (car and light commercial vehicle mechanics, heavy commercial vehicle mechanics, vehicle body repairers and construction plant fitters). Industry representatives are studying with interest the latest proposals for the overhaul of apprenticeship and accept the view that the apprenticeship system and the practical and theoretical training facilities provided for it, must have full response to current needs and technological developments within the industry.

Organizing formal training at other levels within the motor industry is faced with many difficulties. Most of the businesses at retail and wholesale level are relatively small and releasing employees for more than two or three days can create staffing problems. Unless courses are held locally, the expense of sending employees to such courses may prove to be a great deterrent.

Dealers who have a vehicle franchise are more likely to be involved with their employees than dealers without a franchise or repair garages, tyre shops and other retail outlets. However, the training provided for franchised dealers is likely to concentrate on technical aspects with less impact on business management and development skills.

The existence of a levy grant scheme for the motor industry probably had an initial effect in focusing the attention of proprietors and company heads on the desirability of a structured assessment of training needs within the company. The current levy/grant scheme works on a netting arrangement. It incorporates a self-rating process whereby the employer can by completing the self-rating form, put before FAS a basis for this credit to be netted against the levy due. This is an entitlement for credit for training undertaken. The smaller employers are removed from the scheme because their emoluments fall below the exemption limit. There are also per capita levy grants which can be claimed by companies for apprenticeship training.

PART 2:
CASE STUDIES

Case Study 1

Case Study 2

Case Study 3

Case Study 4

CASE STUDY 1

Size of company: 4

Brand name: Component Manufacturer

Category of motor vehicle: None

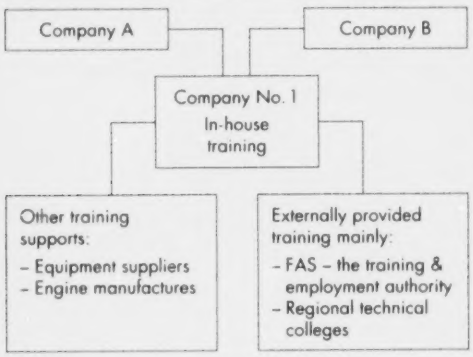
Type of firm: F

1.1 General description of the case

Company No. 1 was established in 1976 to provide remanufactured, guaranteed factory built engines for the Irish replacement market. In 1989, the company decided to establish a separate company (A) to promote a premium dynamometer tested engine for the export market. The new company will launch its product in January 1993 with grant assistance from the Industrial Development Authority.

To facilitate expansion into the export market, the company has recently moved to a purpose built new 20,000 square foot factory where the emphasis is on a production-orientated operation. A third separately registered company (B) is responsible for all engine testing and fitting.

Figure 4



1.2 General description of the firm

1.2.1 Major data of the firm

Type of firm

Company No. 1 provides a wide range of remanufactured engines for the Irish replacement market. It has operated successfully since 1976. The firm is family and craft-based (fitters and mechanics) providing employment for a father (as managing director) and four sons all with craft qualifications. The company currently has 22 employees. They provide factory-built engines using a mixture of virgin and repossessable materials to original manufacturers standards. It is registered as a private limited company.

Categories of motor vehicles

The company provides a wide range of engines to existing manufacturers specifications for cars and light commercial vehicles. Both diesel and petrol engines are produced, but with an increasing emphasis on diesel – accounting now for 90% of output. Short-block engines and full engines are provided to garages, plant hire companies and private individuals. The demand for fully dressed and tested engines is expanding. Engine parts are also provided directly to customers from the premises.

Brand names represented

The company provides a full range of light diesel and petrol engines and larger diesel engines including Perkins.

Form of repair and distribution

All brands of engines are dismantled and remanufactured to original manufacturers specifications using a factory-type production system. Engine kits and spare parts are distributed directly to customers and through garages and other outlets for the domestic market.

Location of firm

The firm is located in a small town in County Carlow – approximately 50 miles south west of Dublin, the capital city. It has a population of 2,277.

Size of firm

The firm is small, employing 26 people on a full-time basis. While the company is expanding this expansion will be through the separate company (B), servicing the export market.

1.2.2 Brief history of the firm and recent strategy and development

Impact of new technologies

While the basic design of engines has remained largely unchanged throughout the company's history, the specifications for individual engines are constantly changing. Likewise, the machines required to produce the reassembled engines are continuously being updated. However, the full impact of computerization has not yet been felt by this firm though plans are underway to computerize stock control and distribution systems. Emission control legislation coming into force next year will bring significant changes as will plans to introduce private vehicle testing in Ireland. However, the fundamental technology is expected to remain unchanged.

Changes in the repair and distribution sector

Engines are continuously being modified while the range of small diesel engines on the market has grown rapidly since the firms foundation. This has necessitated the company broadening its skills and expertise so as to be able to service an ever

growing range of engine products. The requirements of the market are also changing with the demand for diesel engines expanding as is the demand for fully fitted and tested engines.

1.2.3 Structure of the firm

Organization of the firm
The firm is divided into a number of departments covering purchasing, servicing, testing and engine fitting, a diesel and head shop. There is a high level of mobility across departments. In practice, the firm is non-hierarchial preferring to work on a team basis through appointed leaders. As referred to above it is primarily a family firm with members of one family heading up each department. There are 3 directors – husband and wife and a non-family director who is also responsible for all support services – financial, administration, marketing, personnel training etc. See Fig. 5.

Occupational structure
The firm is strongly craft based operating a highly flexible, team-based production system. The occupational structure can be summarised as follows:

1 managing director
1 executive director
4 managers (1 employed by separate registered company)
8 leaders (senior craft people – fitters and mechanics)
1 service engineer
1 maintenance engineer
7 apprentices (3 employed by (B)) – fitters and mechanics
1 apprentice fitter/welder
1 stores assistant
1 receptionist accounts
26 (including 4 employed by two separately registered companies)

The organization of work and work process
The firm has direct access to customers through its sales of engines and related parts. It also provides remanufactured engines direct to the public and to customers operating from garages, plant hire companies and large public companies (CIE, ESB etc.) which operate fleets of diesel vehicles, both large and small. Contact with customers is directly with personnel involved in the manufacturing process.

Work is distributed throughout the engine dismantling and remanufacturing process with employees moving to different parts of the process as required by the volume of work. At the same time, employees tend to specialize in the various aspects of the production process:

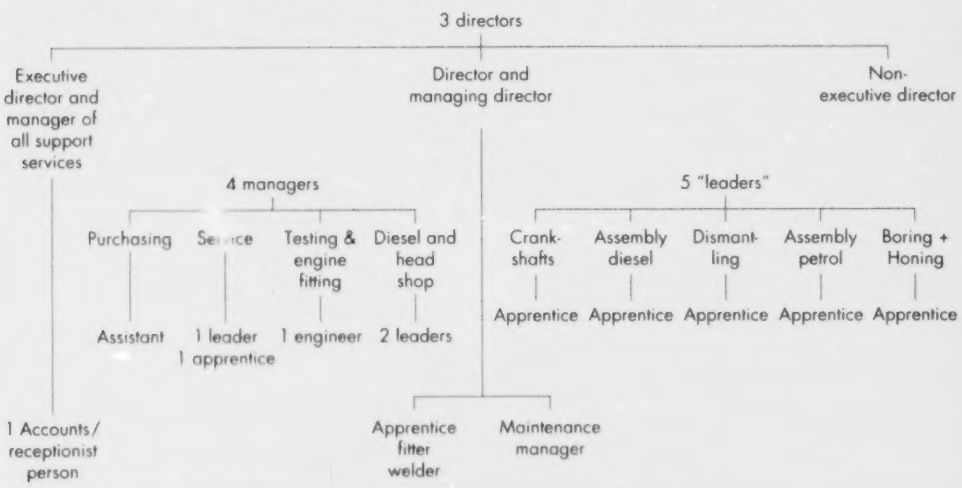
- dismantling and quality control
- boring & honing
- crankshafts etc.
- assembly – petrol – diesel
- testing & fitting

While encouraging specialization all employees are trained for maximum flexibility.

1.2.4 Human resources
Labour force classified by gender

Only 2 of the 26 employees are female. All are employed on a full-time basis with new employees generally being taken on for a 6 months trial period. If they successfully complete this period they become permanent employees with annual salary reviews.

Figure 5 – Firm structure



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Male	24
Female	2
Total	26

Labour force classified by age

Employment by age

	No.
0 - 20	4
21 - 30	9
31 - 40	8
41 - 50	3
51 - 60	2
Total	26

All employees are of Irish nationality.

Labour force classified by working conditions
Leaders, other employees and apprentices work a 39–40 hour week. The firm's managers – all family members plus the executive director usually work a 45–50 hour week.

Holidays are the statutory minimum of 3 weeks plus public holidays. All employees are on a basic salary. There are plans however to introduce a bonus system. Wages rates for craft personnel are slightly above the agreed SIMI/Union agreed rates. Apprentices are paid the statutory SIMI/Union agreed rates, based on year of apprenticeship. Leaders, the most experienced craft people, are paid extra for their leadership role. All salaries are reviewed on an annual basis. The firm operates on a team basis and personal difficulties are dealt with sympathetically by the firm's management.

Level of education of the labour force
The majority of employees come from a fitter or mechanic craft background. All production employees are recognized craftspeople. All new recruits into the production area are apprentices – fitters or mechanics. Criteria for recruitment into the production system is registration for a fitter or mechanic apprenticeship. For office and stores, while qualifications would be beneficial, attitude to work and willingness to learn would be considered more important. Almost all employees have an intermediate or leaving certificate secondary education qualification prior to entry.

Internal promotion is based on experience rather than formal qualifications.

External situation of labour market
The external labour market situation in Ireland is one of a significantly greater number of job seekers than jobs available. The local labour market for this firm is similar. This has a number of manpower effects. It means that firms have their pick of new recruits, all of whom have a high standard of basic education. It also results in very low labour turnover.

Other comments
This firm has found that employees with an agricultural background are generally best suited for work in the engineering remanufacturing business. Such a background is often found to provide a basic interest in engines and how they work and a capacity for problem-solving.

1.3 Providers of continuing vocational training (CVT)

1.3.1 CVT structure of the firm
The firm's executive director is responsible for all support services including training. Added to this, the firm's managing director is a highly skilled technical expert with both a capacity for and a great interest in training and developing employees. He spends a considerable amount of his time training employees on the job and helping them to deal with problems as they arise. Generally, a positive training culture pervades the firm with all managers and leaders involved in training and developing apprentices on the job.

1.3.2 Structure of customer service training centres
The firm receives a considerable amount of support from manufacturers and suppliers. This support is mainly through the provision of manuals, engine specifications and advice and assistance with specific problems as they arise.

1.3.3 Structure of centres of trade associations
The firm is a member of SIMI – the Society of the Irish Motor Industry, a lobby group for motor traders. SIMI provides a forum for discussion of new developments including changes in manpower and skill needs. Given the very specialized nature of the firms product in the Irish market, many of the available support services are not entirely relevant to this particular firm.

1.3.4 Structure of public centres
Public support for the firm's training requirements comes mainly from two sources – (1) the Regional Technical College in Carlow and (2) the FAS Training Centre in Waterford. This support is primarily in the form of initial off-the-job training for 1st, 2nd and 3rd year apprentices. In terms of continuing training, the main service provided by these public centres would be in the form of night

33

classes in related areas such as computing. Again, given the very specialist nature of the firm's product many publicly provided courses are too general to be of great use to the firm's employees.

1.4 Training policy of the firm

1.4.1 Existence of training plans or training concepts on workshop level

The training philosophy of the firm is for continuous learning and updating of skills as the need arises. A trickle down system of learning is used with the managing director first identifying new skill requirements, acquiring the skills himself through visits abroad to manufacturers etc. and then training the managers himself on-the-job. In turn each manager provides updating training for the other employees.

Training concepts are an integral part of the workshop's operation with all employees expected to keep up-to-date with new developments in engine design etc. through reading manuals, new specifications, journals etc. This type of learning is both on-the-job and in employees own time.

The firm has drawn up a detailed training plan for updating staff skills over the next three years. The training plan was designed by management with inputs from departmental managers and leaders and with assistance from the regional FAS representative. The agreed training programme will be delivered primarily by the managing director, following attendance at technical courses in Denmark/Holland, Germany and Italy, supplemented with guest lecturers in specialist areas. The planned training programme will be run in the evening in employees own time, on the firm's premises. It will cover:

- workshop technology skills
- language skills
- computer skills.

The marketing and parts staff will also undertake external courses. Further visits by technical employees to the United States are also planned to examine new developments in camshaft/crankshaft technology.

Detailed training plans have been drawn up for the new exporting company (B). These cover the training of apprentices and other employees to be re[illegible]ted into the new company over the next three years. Training aimed at obtaining ISO 9000 is also planned for 1993–1994.

1.4.2 Interlinkage of training concepts and demand

Analysis of required skills

Skill needs change as the requirements of the product and the market change. Each new type of engine creates new skill needs. These are acquired as described in the previous section. Monitoring of quality levels and customer feedback also provide invaluable inputs into possible skill deficiencies. New technological developments are identified through constant monitoring of manufacturers manuals and through study visits. These are translated into skill needs and training programmes by the firms managers and leaders team.

Connection between required skills and training concepts

Any skill requirements once identified are addressed promptly on the shop floor using an informal work-related approach. More generic skill needs in areas such as computers or languages will begin to be addressed next year through evening classes.

Historical development of training strategy from 1987 to 1992 and training practices

The training strategy of the firm has been evolving as the firm has been developing a business strategy to compete on European export markets.

CVT in the 1980's was largely provided on-the-job, allowing a speedy response to changing customer requirements. The recent strategic decision by the firm to enter export markets has led to the drawing up of detailed off-the-job training plans which will cover the more theoretical, back-up and marketing skills required for export markets. The prospect of computerized diagnostic machinery being introduced in the near future is focusing attention on the need to acquire new and different skills in a more formal setting. The creation of the new export-orientated company has also resulted in plans for developing marketing and language skills. The need to computerize stock control and management systems has highlighted the need for more formal training. Overall, the firm is fully aware of the importance of complementing highly effective on-the-job training with off-the-job training modules in selected skill areas.

1.4.3 Target group of training

Participation in CVT courses (1987 to 1992)

Managers attended a number of computer and finance courses throughout the period while apprentices attended block and day release courses in Carlow Regional Technical College and the FAS Training Centre in Waterford.

A number of employees also attended computer skills courses in Carlow Regional College.

Access to CVT – Courses

Attendance on all CVT courses is voluntary. Generally, the firm believes that such courses

should be availed of in the employees' own time. Given the highly technical and specialist nature of the firm's products, suitable ready-made courses are not always available in Ireland. Thus the firm's decision to design a tailor-made course for its own employees to provide for their specialist skill needs in engine design and remanufacturing.

Minorities
As stated above only two employees are female – both in support functions. The firm is nevertheless aware of the gender issue and supports equal opportunities for women. All employees are Irish nationals.

1.4.4 Training plans

Aim of the training
Training is geared towards ensuring that all employees are up-to-date with developments in engine design and in the type of equipment required to dismantle and remanufacture engines to primary manufacturers standards. Initial training is aimed towards completion of apprenticeship while at the same time ensuring that employees are competent to work in all aspects of the firms operation.

Development since 1987
The last 5 years have witnessed a significant expansion in the range of engines being remanufactured by the company. This has meant that employees must be trained in a wider variety of skills and must be increasingly flexible in the application of their skills. Basic technology has remained principally the same over the period. Computerized diagnostic equipment has not yet been introduced into the plant.

Relation between participation in CVT courses and occupational career
Basic fitter and mechanic craft qualifications, topped up with years of experience of the different functions involved in the production line, has been the primary basis for career advancement to date. The most experienced craftspeople have recently been appointed "leaders" with supervisory and training responsibilities. Monthly meetings of leaders and managers are used to plan future developments in the company, including training required by employees to keep them up-to-date.

General description of CVT systems
Due to the small size of the firm and its open, non-hierarchical working arrangements CVT systems are generally loosely structures. Training is provided as required by the person deemed most suitable to provide it.

Requirement and plans for the future development of CVT
As referred to above, a formal CVT programme has recently been drawn up for all employees, to be implemented next year. The firm is working towards formal certification of this programme by FAS or the local regional technical college. This training programme will run in conjunction with a 3 year recruitment programme for the export company. (It is planned to recruit 30 new employees over 3 years). The emphasis here will be on the production area with quality control and marketing receiving special attention.

Future CVT programmes will focus on updating technical skills and introducing all employees to basic computer and language skills. These programmes will be supplemented by study visits to manufacturers in Europe and with on-going inputs from equipment and parts suppliers. The firm also intends to participate in international staff exchange placements for both technical and language skills.

Criteria for the course programmes offered
Programmes offered are selected on the basis of management's views of developments in engine design and manufacture and their impact on skill requirements. The actual content and design of the planned new CVT programme will be finalized by management and staff through the monthly leader meetings. The training manager who has completed a training manager programme also identifies other skill requirements through analysis of markets and competitors. The strategic decision to begin exporting their products (through a separate company) has led to the decision to introduce language skills and to recruit a marketing executive into the company.

Curriculum concept – contents, methods and level of courses
Given the specialist nature of the firm's work, CVT curricula are designed by the company's managing and technical director in consultation with management and leaders. Other more specific skill needs are met by bringing external trainers into the company. Methods of instruction are mainly informal and practically-based. CVT programmes are generally at an advanced level topping up the skills of highly experienced employees.

Who carries out the CVT courses?
Courses are run by the technical director supplemented by external experts who are brought into the firm to provide specialist inputs.

Principles of preparation of CVT programmes
As described above, CVT inputs are prepared by the technical director in consultation with individual employees and through the consultation process of regular leader and manager meetings.

35

Customer service training centres
There is no customer service training department to this firm. Most training is generated and provided internally. A culture of continuous learning and updating of skills exists in the firm.

Principles of pre-qualification of staff prior to launching new products
Before a new product is manufactured by the company, employees are expected to be familiar with the various specification manuals provided by the original manufacturer. Any new requirements are discussed by management and staff as they arise and decisions are then made as to how to address them.

Changing of training concept as a result of new technologies
The likelihood that computerized diagnostic and measuring equipment will be introduced into the firm over the next 3 to 5 years has meant that formalized computer training is to be provided for all employees in 1993. The general trend of increasing sophistication of products and process means that more theoretically based training will be required in the future.

Participation of social partners and trade associations
Trade unions are not represented in the firm. The regular leader/management meetings act as a consultation forum for management and employees. Training issues are addressed at these meetings. The leader system was introduced into the firm this year. The firm is a member of SIMI – the Society of the Irish Motor Industry and is represented on the Motor Sub-committee of the FAS Industrial Training Committee.

Collective agreements on CVT within the firm
The firm does not have formalized collective agreements. Such agreements are not considered necessary due to the small size of the company and its open, consultative management style.

1.4.5 Costs of CVT (during the last five years)
On-the-job training is estimated to have cost approximately 3,000 per annum or 15,000 over 5 years.

1.4.6 Evaluation of the costs
Due to the highly internalized training systems operating within this firm, these training cost figures present only a very limited picture of the firms true investment in, and commitment to, training.

Training costs in the new export company will be much higher, estimated at approximately 3,000 per capita, as new employees are brought up to the high quality standards expected by the firm.

1.5 Evaluation of the training concepts

1.5.1 Evaluation of questionnaire for employees
Questionnaires were completed for all employees. This indicated a strong fitter or mechanic craft background for all production employees. Participation on external training programmes following completion of apprenticeship was found to be low. This was due to a number of factors:

- the highly specialist nature of the firm's product
- the firm's position at the top quality end of the market
- the firm's culture of continuous learning and development on-the-job
- the very strong technical background of the firm's managing director and management team

1.5.2 Best practice/normal practice
The firm prides itself on operating "best practice" in terms of attitude to work, commitment to quality and accuracy, continuous learning and updating and a focus on long-term viability and relevance to the market. Performance relative to competitors is regularly assessed by management.

1.5.3 Future demands for CVT and tendencies

Necessity of mobility
Because of the specialized nature of the training, mobility is not a question.

Contents of CVT courses
Future CVT requirements are for:

- continuous technical updating
- computer skills
- language skills
- marketing skills

Concepts of CVT courses
CVT courses in the future will be more formal and more theoretical in focus. However, the philosophy of continuous learning by doing will remain a key principle of the company. Study trips to the European markets to visit customers and suppliers will be an increasing element of CVT in the firm.

Strategy for CVT
CVT strategy will be clearly linked to business strategy. Current business strategy is for expansion into export markets and the continued production of high quality products to international standards. The firm has recently started the process of applying for ISO 9000. The impact of this on skill and training is currently being examined.

Future training strategy is geared towards meeting the continuously changing needs of the market place and of achieving a correct balance between formal, theoretically based training programmes

36

and more informal practically orientated learning on the shop floor.

1.6 Conclusions in relation to best practice and normal practice

For this firm, staff training and development is a core value. The firm's managers act as catalysts for change, and motivate their employees likewise.

The firm operates "best practice" in terms of a true commitment to training and the development of its employees to the mutual benefit of the firm and its staff.

As the firm enters export markets, it appreciates the need to bring more structure and transparency to its training system and is currently taking the required steps to provide a greater range of off-the-job, standards-based, training programmes.

37

APPENDICES

Appendix 1
Company No. 1

Employees Interviewed

Employee No. 1	director
	managing director
	technical director
Employee No. 2	director of support services
	training manager
Employee No. 3	manager – diesel & head shop
Employee No. 4	leader
	crankshafts etc.
Employee No. 5	leader
	boring and honing
Employee No. 6	stores assistant
Employee No. 7	apprentice fitter/welder

Appendix 2
Participation in CVT Courses 1987–92
by Employees

Junior & Senior Trade Certificates RTC
All in-house on-the-job
Junior & Senior Trade Certificate – Motor
Computer Appreciation: City & Guilds in Building Construction
City & Guilds Certificate in Diesel Fitting/Mechanic, Computer Skills RTC
Junior & Senior Trade Certificates RTC. Diesel technology training in-house
Senior Trade Certificate – Motor
Senior Trade Certificate – Fitter
Secretarial & Office Procedure course
Certificate in Engineering and Garage Practice, Carlow RTC
Apprentice programme
City & Guilds Engineering: National Certificate of Competence in Road Haulage
Apprentice

CASE STUDY 2

Size of company: 3

Brand name: Nissan

Category of motor vehicle: A

Type of firm: C

2.1 General description of the case

The company being studied can be categorized as follows:

Company No. 2 is a Type 3 (size) firm. The number of persons employed is 18. The firm (selection) enters into the group C category which is an authorized repair and distribution workshop (independent, but linked to a car producer).

The fields of training cover the whole spectrum mentioned and can be classified again to the following areas:
management, sales, marketing, technical and apprenticeship. The firm is situated in Dublin City and is a Nissan main franchise dealer. The number of training days per year is between 3 and 5 for each employee.

2.2 General description of the firm

2.2.1 Major data of the firm

Type of firm
The firm is a private limited company and was established in 1984. It is a main franchise dealer and is linked to the distributor Nissan Ireland Limited, but is independently owned and controlled. Its contract with Nissan means that it cannot have alternative franchise agreements with other companies/distributors.

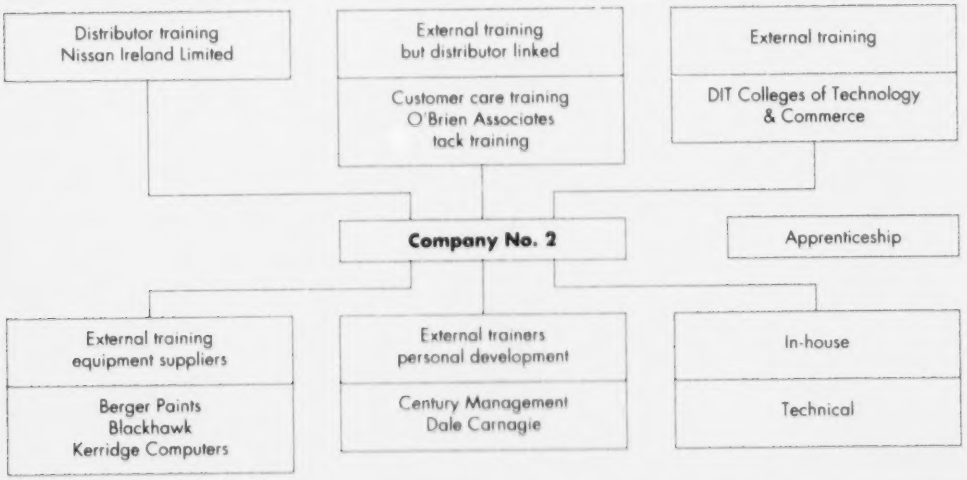
Categories of motor vehicles
The firm sells the Nissan range of vehicles. This comprises the whole range of Nissan saloon cars and light commercial vehicles. It also specializes in the repair of the vehicles being sold as well as all makes of new and second-hand cars and light commercial vehicles. In addition, it also sells used (second-hand) vehicles. Approximately, 300 new and 700 second-hand vehicles are sold per annum.

Brand names represented
The brand names represented are mainly franchise vehicles (listed below). These vehicles are sold and repaired by the firm:

Micra 1L, 1.3L
Micra Van
Sunny 1.4L, 1.6L
Sunny Diesel Car 2.0L
Sunny GTIR 2.0L
Sunny Van 1.7L Diesel
Primera 1.6L
Primera Single Point Injection 2.0L
Primera Multi Point Injection 2.0L
Primera Diesel 2.0L
Maxima 3.0L Petrol
100 NX 1.6L & 2.0L
200 SX 2.0L Petrol
300 ZX 3.0L
Prairie 2.0L
Vanette 2.0L Diesel
Vanette 1.5L Petrol
Urvan 2.5L Diesel
Cabstar 2.5L Diesel
D21 4WD 2.5L Diesel
Patrol 2.8L Diesel

In addition, all types of cars and light commercial vehicles which are traded-in are repaired and sold. These vehicles can vary from week to week,

Figure 6 – General description of the case



39

but a general description is listed below in order of popularity:

Fiat
Opel
Toyota
Ford

A small percentage of other makes are also catered for.

The firm also deals with warranty work related to sales and sells spare parts to the public.

Form of repair and distribution
The repairs and servicing carried out by the firm are in the following areas:

- engines
- ignition & injection systems
- suspension systems
- exhaust systems
- body repair
- spray painting
- alarm & accessories
- transmission
- brakes
- steering
- clutches
- electrics.

These apply to both new and second-hand vehicles. The level of service and repair work is normally determined through diagnosis which often leads to disassembly/overhaul/repair/re-assembly/test and finally road testing. All repair work both mechanical and body painting is to distributor standards.

Location of firm
The firm is located in Dublin, the capital and largest city in Ireland (population 1,000,000). It is situated within 2 miles of the city centre. It is on the north side of the city and is located in a semi-residential/working area. The firm is within a very competitive area which could be called Motor Mile. If one drew a circle of half a mile radius with this firm at its centre, the circle would incorporate twelve different franchise dealers:

Fiat
Ford (x2)
Lada
Peugeot (x2)
Renault
Subaru
Suzuki (x2)
Toyota
VW/Audi/Mazda/Mercedes.

Because of this competitiveness in the market place the firm has survived due to its commitment to training and professionalism.

Size of firm
The company employs 18 people in total of which 7 are directly employed in the service and repair section and the other 8 in the sales/distribution/administration areas. It has a turnover of approximately 3,500,000.

2.2.2 Brief history of the firm and recent strategy and development

Prior to 1984, the company had eight garages. These catered for customers in Dublin's city centre and suburbs. They then extended their activities to counties Cavan, Westmeath and Offaly, so catering for a rural population spreading across the country north of Dublin. All of the garages were main Fiat franchise dealers.

Because of existing contractual arrangements the company could not open an alternative franchise. To facilitate the opening of a new franchise, an additional outlet was established and came into operation in 1984. This firm was under a Nissan Franchise Agreement. This brought the total number of garages in the group to nine. All of the outlets were operated as separate entities. This firm was situated opposite one of the company's other outlets. Three partners from the company with one new additional partner established the concern. This new partner became managing director/general manager reporting to the other three directors/partners. He was responsible for recruiting all grades of staff.

Impact of new technologies
The impact of new technologies has not adversely affected the firm. Although the Nissan range of vehicles and all other franchise vehicles have changed since 1984, the training distributors in-house and external agencies have ensured a smooth progression. For example, legislation concerning exhaust emissions for light commercial vehicles come into vogue in January 1993. The dealer has already trained staff for this change during June 1992. However, the changes have necessitated the use of costly equipment which has been purchased. Some of the areas where technology has had an impact:

- Bodyshop

Although only in operation since 1991, paint and jigging systems have been purchased. They type of repair work carried out by two people could not have been done previously by four people.

- Service department

The impact on the service department has been that although the number of cars being serviced has increased, the staff has not dramatically increased.

Changes in the repair and distribution sector

Because of the ongoing changes in technology, substantial changes in servicing and repair techniques have necessitated the use of diagnostic equipment and retraining of staff. However, because there are a considerable number of older vehicles on the road, a large percentage of the service and repair work is of a routine nature. There has been a increase in the number of new Nissan models available. The technology has changed with these models and the updating of information and training is seen as essential. The Nissan concept, taking charge of customer care – the key to success, has made sure that as changes take place, the dealers are continually updated. All departments have been computerized and this has changed the method of dealing with customers.

2.2.3 Structure of the firm

Organization of the firm

The firm is divided into the following departments:

sales, parts, administration and service.

The service department is subdivided into both repair shop and body shop. The structure is hierarchical in design.

A recruitment drive is being conducted for one additional clerical assistant.

Occupational structure

Breakdown of staff recruitment

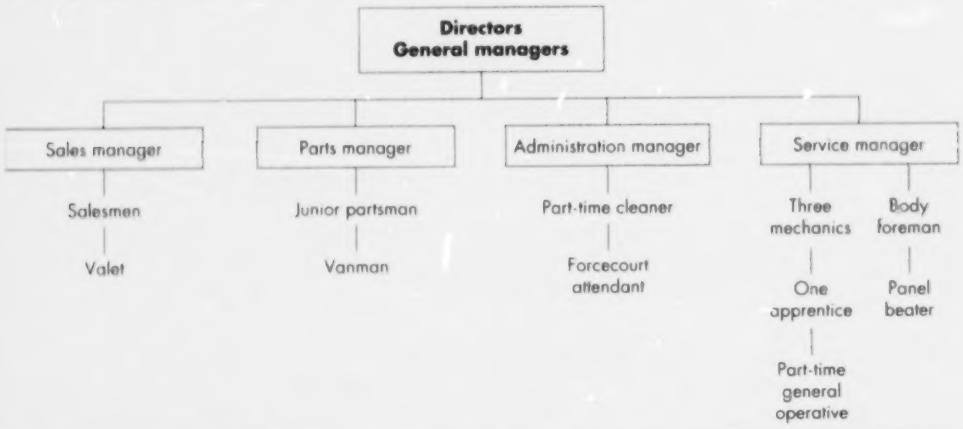
1984	
Service workshop	Two motor mechanics
Parts department	One parts person
Sales department	One salesman
Administration office	One clerical worker
General	One car cleaner
Management	One managing director
1986	
Parts department	One additional parts person
1987	
Sales department	One additional salesman
1988	
Service department	One service manager
1989	
Service department	One additional mechanic One additional apprentice mechanic
1990	
Service department	Two additional apprentice mechanics
1991	
Service department	Two apprentice mechanics made redundant
New premises	
body shop	One additional body repair person One additional spray painter
Petrol Sales	One forecourt attendant
General	One operative
1992	
Service department	One apprentice mechanic

The organization of work and work process

Service & repair

All the repair work is controlled by the service manager. He books the work in and distributes it to the various employees. The jobs are given to the craftsmen on job cards with the specified problem. This applies to service and body repair. If

Figure 7 – Organizational chart, 1992



41

additional work is found on the vehicle or additional manpower is required to complete the job (i.e. help from an apprentice) the service manager is informed. His computer terminal is linked to the parts and administration departments. The parts required for the vehicle are automatically registered in each department. When the final invoice is received by the customer, the administration department have all the costings on it. Additional work requested by the sales department is costed and charged to that department. All mechanics carry out repair work as it arises, but there are specialists in electronics and diesel when required.

Parts & sales

The director, sales manager and salesman deal directly with customers involving new and second-hand vehicles. The parts manager and partsman deal with in-house and outside customers for parts.

2.2.4 Human resources

Development & number of employees
Refer to 2.2.3 – Occupational structure

Table 1 – Labour force classified by:

Age	No. of persons
0 – 20	2
21 – 30	8
31 – 40	3
41 – 50	2
51 – 60	2
61 +	1
Total	18
Sex	
Male	17
Female	1
Total	18

All staff members are Irish

Conditions of employment

All of the staff are employed on a permanent basis. There is a trial period of 3 months for each employee. The evolution of employees is shown below and the numbers employed have constantly increased up to the year 1992.

Working conditions

Working hours

Table 2 – Evolution of employment

Year	Total	Male	Female
1984	7	6	1
1985	7	6	1
1986	8	7	1
1987	9	8	1
1988	10	9	1
1989	12	11	1
1990	14	13	1
1991	17	16	1
1992	18	17	1

The total hours worked by each employee are as follows:

workshop	39 hours
parts	39 hours
administration	39 hours
sales	42 hours
petrol	56 hours

Table 3 – Hours of opening

Workshop & bodyshop	Monday – Friday 8.30 a.m. – 5.30 p.m.
Parts	Monday – Friday 9.00 a.m. – 5.30 p.m. Saturday 10.00 a.m. – 1.00 p.m.
Petrol	Monday – Friday 8.30 a.m. – 6.30 p.m. Saturday 8.30 a.m. – 2.00 p.m.
Sales	Mon, Tues, Wed & Fri. 8.30 a.m. – 6.00 p.m. Thursday 8.30 a.m. – 8.00 p.m. Saturday 10.00 a.m. – 1.00 p.m.

Holidays

Holiday entitlement of each employee is twenty-one days per year plus standard bank holiday and holydays (Ireland).

Salary structure

All rates of pay are in accordance with the standard rate of pay as recognized by the trade unions and the Society of the Irish Motor Industry.

Workshop employees	4.80 per hour plus profit share scheme
Administration	4.80 per hour

Parts	4.80 per hour
Sales	Basic rate & commission

Apprentices are paid the statutory rate laid down by the government i.e. a % of the total tradesman rate for each year of apprenticeship.

Social & economic benefits

There is a Group Pension Scheme of a voluntary nature of which only three employees are members. Overtime is very irregular and only when extremely necessary.

Level of education of the labour force

38.8% (7) of the employees have the Leaving Certificate which is the final certificate for second level education. This is granted at approximately 18 years of age.

38.8% (7) of the employees have an Intermediate Certificate which is granted at approximately 16 years of age. A considerable amount of people seeking a craft background would do so with this qualification.

5.5% (1) of the employees have a Group Certificate. This is normally granted at approximately 15 years of age. This is a vocational qualification which people pursued until recently to gain entry to a trade. (One could not continue to 3rd level education with this qualification alone.)

16.6% (3) of the employees obtained a Primary Certificate. This is a 1st level qualification which is gained at approximately 13 years of age. It is interesting to note that all holders of the Primary Certificates are approximately 50 years of age or over.

Requirements

The minimum requirements for apprentice training are Grade D x 3 subjects in the Group or Intermediate Certificate. Many people at present are entering the trade with a Leaving Certificate. (Apprenticeship currently under review, new apprenticeship may be introduced in 1993).

Requirements for Tradesmen are National Craft Certificate or equivalent.

Other occupations

There are no statutory requirements for other groups, but the firm has employed only those with an Intermediate, Group or Leaving Certificate.

Internal promotion

Internal promotion is limited. The managing director, service manager, sales manager and parts manager are quite young. The promotion of the service manager in 1988 was through advertisement. It is quite unlikely that promotion in this firm will arise for some time.

Criteria of recruitment

Although formal qualifications are required, experience is equally taken into account when recruitment is being considered. Applicants would be assessed to have the capability of undertaking any programme required by the firm and the distributor.

External situation of labour market

In recent years, the airline industry has employed over 300 motor mechanics as well as a large number of sheetmetal workers and body repair craftsmen. This has led to a lack of availability of high quality craftsmen in the motor vehicle sector. Under the present situation however, due to the current economic climate of which poor car sales is a factor, extra manpower is not necessary. There are a number of apprentices who qualify each year who are also available on the market. A percentage of these would have qualifications additional to that of craftsmen.

Comments on specific problems not covered above

The motor vehicle sector has been a recruitment ground for a host of other areas, i.e. maintenance fitter, aircraft engineer, maintenance engineer, machinists, etc. It is recognized as one of the most versatile and multi-skilled of the trades.

2.3 Providers of continuing vocational training (CVT)

2.3.1 Structure in the firm

The service manager organizes the training within the firm. He is responsible for all the technical training and decides who to send on the courses. Consultation takes place with the other managers and the managing director so that the correct person is sent and so that employees from other departments will not be attending courses at the same time.

The service manager is also responsible for the administration of the programme and he pursues the payment of industrial grants from the appropriate bodies.

2.3.2 Structure of customer service training centres

Nissan Ireland Limited are the main providers of CVT for this franchise dealer. The technical training is carried out by the service department and the sales training by the sales department of Nissan Ireland. The service manager and training instructor organize the course programmes for the year. The training instructor travels to Nissan Amsterdam for the required training (20 days

Figure 8 – Organizational chart

1992). On his return, he organizes the National Programme for all the Nissan dealers in Ireland. From his computerized files he already knows the participants of the previous courses and organizes the dealers to send the necessary candidates on the following courses.

2.3.3 Structure of trade associations

There is one main trade association – the Society of the Irish Motor Industry. Its main function is as a lobbying and industrial relations support service for the industry. Training is not a function of the society, but in recent times they have become involved as the demand has arisen. The demand is monitored by the requests from members i.e. 1992/93 Programme of Training.

Depending on the requirements the venues of the courses vary, but are made available in most counties.

Diagram A – Training policy of the constructor Nissan for its Irish dealer

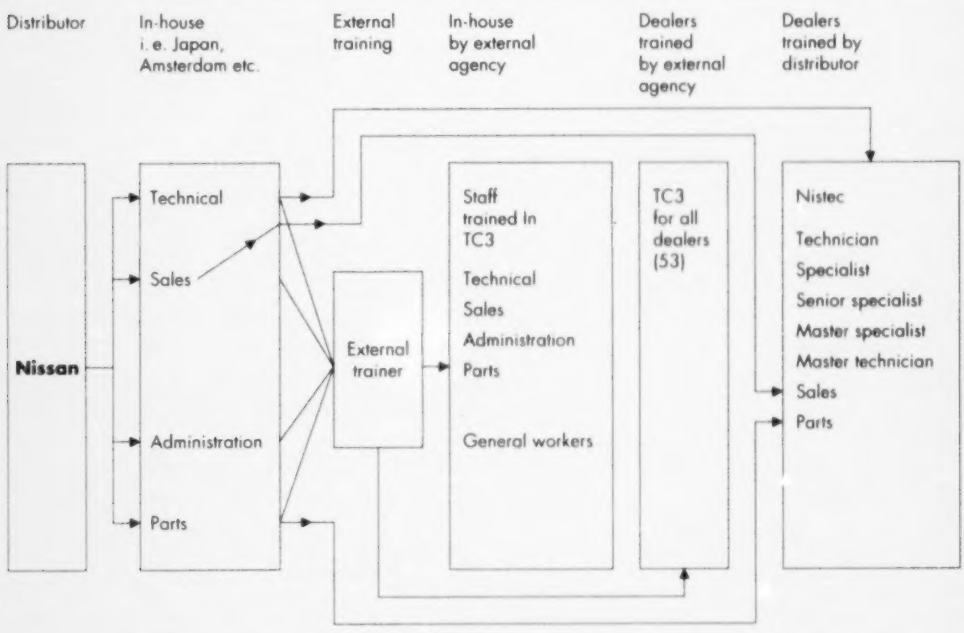


Diagram B – Society of the Irish Motor Industry

Examples of training 1992/1993

Table 4 – Vehicle sales training 1992/1993

Course	Duration	For whom
Sales motivation	1 day	Junior & senior staff
Vehicle sales & preparation	1 day	Junior & senior staff
Selling skills	1 day	Junior & senior staff
Customer legislation and customer problem workshop	.5 day	Management with responsibility for customers
Sales management	1 day	Sales managers for sales teams

Table 5 – Management training

Course	Duration	For whom
Time management	1 day	Management & administrative staff
Computers for the motor industry	2 days	Service management
Requirement of dismissals legislation	1 day	Service management
Employee problem "workshop"	.5 day	Service management

Table 6 – Health & safety

Course	Duration	For whom
First aid training	1 day	Any member of staff
Safety statements	2 days	Senior management

Distance learning is being developed with the College of Technology, Bolton Street in the areas of forecourt retailing, bodyshop and parts training and will be in operation during the spring of 1993.

Over the past ten years, the Society of the Irish Motor Industry has arranged regular visits by its members in the body repair business to the Thatcham Research Centre in the UK. This organization was established by the Motor Insurance Research Association to promote the use of more efficient repair methods and to encourage motor manufacturers to design body components which are less costly to repair. The Thatcham visits enable Irish repair shops to see how major body repairs can be carried out in the most efficient way and to study the latest technology and techniques in body repair.

Thatcham Research Centre has a number of useful videos on repair techniques which SIMI make available to their members.

Although the society has not developed training any further than that mentioned it awards Mechanic and Technician Diplomas to its members and also to non-members if they complete certain national examinations. It also operates a Bursary Fund for students who cannot pay fees for courses to advance themselves. The firm has not sent any of its employees on the society's course as yet, but is a member of the society.

2.3.4 Structure of public training

The public centres available are operated by two government departments. The Department of Labour operates the FAS centres and the Department of Education operate the 3rd level colleges. At present, the FAS centres only cater for 1st year apprentices and a small amount of specialist courses at evening time whereas the colleges

45

Figure 9 – Structure of public centres

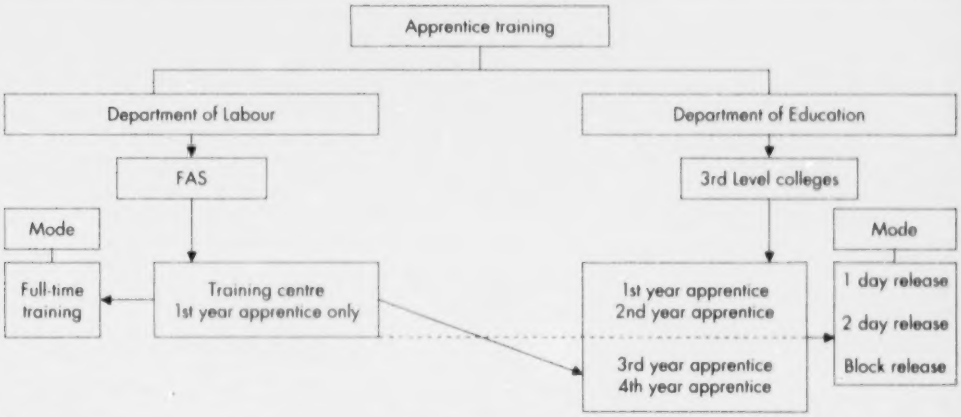
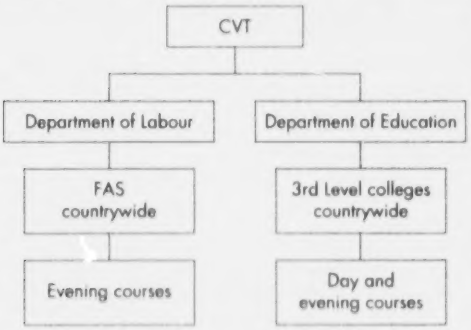


Figure 10 – Structure of public centres, continuous "vocational training"



have a tradition in operating at mechanic and technician levels as well as a host of specialist courses for the trade. Over the years, the firm's training policy has been to send all their technical staff to the colleges for training both apprentice and higher levels.

2.4 Training policy of the firm

2.4.1 Existence of training plans or training concepts on workshop level

The training plans are drawn up at three levels:

Level 1 the distributor
The distributor analyzes the requirements for his dealers (53) throughout the country.

Level 2 the dealer
The service manager analyzes his requirements for his staff in consultation with the distributor. Training is also necessary in addition to distributor training for models which may be common to the garage other than those of the distributor.

Level 3 the dealer
The firm services all makes of vehicles which requires a considerable amount of knowledge in the following areas – petrol injection, ABS and diesel so the firm sends its technical staff to evening courses for national technician qualifications as well as Nissan's (see company training).

2.4.2 Interlinkage of training concepts and demand

Analysis of required skills
Analysing the required skills is mainly left to the distributor. Because the most common vehicles being serviced by the dealer are Nissan and the training packages are designed by them, they are aware of the necessary changes in technology. The firm selects the individual staff for the training courses and it recognizes the need for more training as technology changes.

Connection between required skills and training concepts
Although the basic skills have remained unchanged, the diagnostic ability of the tradesmen has come to the forefront. Even the specialist in diesel engines is now confronted with electric/electronic controlled fuel pumps which did not exist 5 years ago. Because of this, the firm relies on the distributor and evening classes to back-up its training as new products are introduced. Nissan fully brief the dealers and mechanics as new products are being released on the market. The basic training supplied during apprenticeship is to a very high standard, however, so that adaptability is often not as real a problem in this dealership.

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Historical development of training strategy from 1987 to 1992 and training practices

Until recently, Nissan Ireland Limited conducted training courses throughout the country in various hired centres – local to the dealers. At present, all their training is carried out at their new purpose built school on their premises in Dublin. All participants come to the school for training. The total training strategy has been developed by Nissan Japan, through various surveys to determine where the problems in relation to customer satisfaction, technical competence and standard of craftsman lie. The trainer travels to Amsterdam frequently to update his skills and then offers the new technology courses to the dealers on his return. Running parallel with the normal training plan is a correspondence course which the distributor operates. It offers an incentive to the individual and the dealer. For the individual, it can mean being the best technician in Europe and for the dealer employing the best technicians in Europe. Various means of feedback also come from the dealer network during service managers meeting. The suggestions offered are analyzed and acted upon at distributor level.

2.4.3 Target groups for training

Participation in CVT courses (1987 to 1992)

All staff have been trained in the T.C. 3 concept. At present, the distributor is using an external firm to help with the training.

T.C. 3

Recently Nissan have introduced a new concept called T.C. 3. It is a training scheme operating worldwide. It provides for team work and harmony within the organization and it deals with

- attitude training
- effectiveness training
- managerial training and
- specialized modular training in the areas of parts, sales and service.

The concept T.C. 3 means "taking charge of customer care, the key to success" and was designed by Nissan Japan. It is based on Industrial and Market Research over many years with results from many different markets and countries. The Nissan Programme is one of excellence and of one family. This aspect is very important as it breaks down all barriers and creates a positive outlook with its workers. The programme also caters for outside employees, i.e. contract office cleaners, security etc. in their philosophy. It also applies to 53 franchise dealers.

Management training has not developed as fast as technical training, although management training within the firm (Company No. 2) has been considerable. Training courses other than the distributor's were in the staff's and employers' time.

For example:

Service manager

During the past 4 years, the service manager completed a Certificate of Management, a Higher Certificate of Management and road transport studies examination as well as computer studies. These courses of study were all night courses in the College of Technology, Bolton Street. The company paid the cost.

Administration manager

Accounting technician 3 year course attended on own time.

Technical training

The technical training has been geared to achieve Eurostep, a new concept in technical training which have set grades and examinations. Eurostep is a new concept in technical programmes where technicians have set grades and examinations.

European service technician education programme

The pogramme ensures that everybody within the organization at a technical level in Europe is trained in modular form to the same standards. The qualifications lead to:

- technician
- specialist
- senior specialist
- master technician.

It means workshop staff have European mobility.

During the training sessions, the methods employed to teach are overhead projectors, slide projectors, tape recorders etc. In the new school, a video training aid is now in operation. Students can see directly on screen the operation of units and components while the instructor is demonstrating its operation. This aids clarity and understanding at all levels. All tests selected for training programmes are developed and controlled by Nissan and provided in the way recommended by the distributorship. To ensure that staff in each garage are aware of all products, a selection of them from each franchise are trained before a new product is launched.

Access to CVT (compulsory or voluntary)

Participation in CVT is compulsory by the distributor from all dealers in their programme. It is understood however that at certain times, staff from a dealership may not be available for various reasons i.e. a number of staff may be on leave and the candidate cannot attend etc. However, all staff must attend the courses provided at some stage.

47

At a dealer level CVT although voluntary is expected by the staff not only at the distributors premises, but night classes also for continuing training and education.

At one stage, training by the distributor was given in local centres. Now it is felt that a better service is provided in the training centre in Dublin. Participation is as good as it was when the trainer moved around the country. The maximum number of people is 8 per course.

Minorities in the industry (women, foreigners etc.)
The main services at present being conducted by women are in the administrative areas. There are at present no females employed in the technical areas.

2.4.4 Training plans

Aim of the training
The aim of training is to ensure that the technical staff reach the necessary stages of the Eurostep Programme and that at all times, the dealer will have a percentage of suitable qualified technicians, specialists, senior specialists and master technicians to service the customer needs. This implies that CVT along with apprenticeship will give each craftsmen:

- a good basic skill;
- be currently in touch with modern developments;
- be aware of new model features;
- be an asset to the dealer in doing the job right first time.

The same applies to the sales and parts staff which are as important to the dealership.

Development since 1987
In order to maintain customer loyalty the philosophy of the firm is to train their staff to the highest standards achievable. In pursuing this, they have maximized the number of training days allowable.

Relation between participation in CVT courses and occupational career
The expectation that promotion is linked with participation in CVT is evident. There is however only a small number of occupations filled each year because of the state of the trade. Those having CVT stand a good chance of promotion within the firm if they have a long service record. Promotion would not be based on CVT alone.

General description of CVT systems
The dealer also insists that CVT conducted by other institutions i.e. colleges, is necessary and encouragement is given to all staff to attend these courses even in their own time. The following courses are either post-apprenticeship or management courses and are of a specialist nature: motor vehicle parts personnel, diagnostic techniques, compressed air brakes, compression ignition engines, fuel injection equipment, electricity, electronics, updating courses for motor vehicle mechanics, motor industry management studies, road transport studies and technician qualifications.

Requirement and plans for the future development of CVT (qualification strategy)
The introduction of new standards such as Eurostep will mean the development and redevelopment of CVT. The requirement may not be as great on the technical side as new changes in the apprenticeship will enhance the skills of technical personnel.

Criteria for the course programmes offered
New product development is one of the main criteria for offering courses. Also, changes in the testing of electricity/electronics circuits and understanding computer codes is important. The sophistication of vehicles and customer awareness will mean a greater focus on course development criteria in the future.

Curriculum concept – contents, methods and level of courses
The curricula is developed by Nissan Japan and implemented by the distributors. It fits into the Eurostep plan which is seen as a means of designing a greater mobility of Nissan Technical Personnel through Europe. Its levels are monitored by a series of tests so that achievements at each stage is necessary. These tests are both practical and theoretical. They are based on standards achieved rather than courses attended.

Who carries out CVT courses?
CVT courses are carried out at the distributors premises. They are organized in Japan and translated for the European market. Manufacturers of equipment carry out CVT for new equipment purchased and the colleges and training centres offer a wide range of CVT courses. Most of these courses provide some form of feedback and this is useful to the suppliers of CVT.

Principles of preparation of CVT programmes
As outlined above, programmes are identified and developed by the distributor and their overseas offices with dealers providing an input into the system through regular contact with distributor personnel. Workers provide an input into CVT programmes through feedback on the training received. As a result of this input, programmes are adapted before being offered in other parts of the country and are modified and updated accordingly.

CVT requirements are investigated through consultation with specialist training personnel in Europe and through regular review of local skill and training needs with the dealer network.

Customer service training centres
The customer service training centre (or car producer service training) provided by Nissan plays a key role in planning training provision, developing curricula, running courses for dealers and monitoring developments that will affect the dealer network. The customer service training centre also provides a link between the training service department in Europe and the Irish dealer network, ensuring that the training programmes offered are relevant to the needs of the Irish market. Programmes developed at central European level must be modified by the Irish training centre to ensure that they meet the needs of Irish dealers whose outlets tend to be small relative to their opposite numbers in the larger European countries.

Principles of pre-qualification of staff prior to launching new products
As referred to above, the customer service training centre develops and gives training programmes to all relevant employees in the dealer network prior to product launch. Such briefing sessions are backed up with detailed specification manuals and regular service bulletins.

Changing of training concept as a result of new technologies
New technologies have placed greater emphasis on continuing training both by the customer service centre and the individual dealers. The modern car will increasingly require faults diagnosis by sophisticated machinery in the hands of a highly skilled technician. Increasingly, such machinery and specialist knowledge of its use will be a pre-requisite to servicing new cars. Regular updating training will be vital in such an environment.

Participation of social partners and trade associations
Social partners
The relationship between the social partners has not been a major part of the design of the training and testing of CVT at this level, but they have a large part to play in the national apprenticeship curriculum design.

CVT
The staff are concerned that they will be kept up to date. They know that the commitment is there from the distributor and the dealer and that following their own private study at college (evening courses) they will be more employable if employment trends change.

Trade unions
The trade unions have no part to play in the design or implementation of CVT.

SIMI
Both the dealer and distributor are members of SIMI, the trade association which represents the employer. They normally do not get involved with the internal training plans.

Collective agreements on CVT within the firm
There is no agreement on CVT within the firm. The firm however does pay the costs of evening CVT courses undertaken by staff.

2.4.5 Costs of CVT
The total days training by the dealer is 242 days between 1989 and 1992 or 1,936 hours at 4.80 per hour = 9,292.80 or 1,859 per year. This cost is not recoupable. What is recoupable is 80% of the cost of fees for the courses. The profits from the days worked is also lost.

The cost to the distributor is quite high as the training includes a considerable amount of travelling for the trainer and the investment in modern training equipment for the training centre.

2.4.6 Evaluation of the costs
Due to the high level of subsidy by the distributor, the cost incurred by the individual dealer does not represent the true cost of the training provided.

2.5 Evaluation of the training concepts

2.5.1 Evaluation of questionnaire for employees
The main conclusions from the CVT questionnaire is that the distributor has made sure that customer care is forefront in the dealers mind. All his employees have attended such courses. Technical courses have been well catered for both in-house (distributor) and outside agencies. Electronics training has played a major part in CVT.

2.5.2 Best practice/normal practice
The firm receives "best practice" training through its customer care service centre. This is put into practice in all departments and feedback received through customer surveys, warranty work etc. The dealership has succeeded in getting into the national finals of the NISTEC Competition which is considered best practice for the dealer. A second mechanic has succeeded in gaining entry into the National Apprentice Competition 1993.

2.5.3 Future demands for CVT and tendencies

Necessity of mobility
Future demands will only arise if problems to vehicle/customers which are unknown appear on the Irish market. Otherwise, the present standard is adequate. There may be a demand for local based training for certain courses.

49

Contents of CVT courses
The main priorities in terms of content of CVT training will continue to be for

- updating technical skills
- briefing on new product launches
- briefing on new parts
- updating computer skills
- on-going training in customer care
- succession training for owners and managers
- on-going apprenticeship training, modified to meet the changing needs in the world of work
- vehicle testing for all cars, if introduced in Ireland, will also bring with it some new training needs.

Concepts of CVT courses
The majority of training courses will continue to be provided through the distributor.

Strategy for CVT
The development of training structures and systems within the individual dealer firms depends primarily on the extent to which the motor business picks up in Ireland over the next few years and this in turn depends on the overall recovery of the Irish economy. A buoyant Irish economy is the main pre-requisite for a buoyant motor trade, while a buoyant motor trade will create very positive impacts on training and development with the individual firms.

2.6 Conclusions in relation to best practice and normal practice

It is considered that this firm operates the best practice because of the amount of CVT given to staff at all levels.

Persons interviewed

Dealer principal
Service/training manager
Motor mechanic
National service manager, Nissan
National trainer, Nissan

CASE STUDY 3

Size of company: 4

Brand name: Ford

Category of motor vehicle: A, B

Type of firm: C

3.1 General description of the case

Company No. 3 is a main Ford dealer located in County Mayo in the West of Ireland. They sell and service all makes of Ford cars and light and medium sized vans – both new and second hand. They have been in operation since 1970 and currently employ 24 people in sales, service, parts and administration functions. The firm's owners have diversified into a number of other motor related products and services (See Fig. 11). The firm faces stiff competition with twelve other garages located within the same town.

3.2 General description of the firm

3.2.1 Major data of the firm

Type of firm
The firm is a private limited company and a main Ford dealer. It is a family-owned firm employing 24 people.

Categories of motor vehicles
The firm sells and services all makes of Ford cars and light and medium sized vans. It also sells Ford parts directly to customers. Both new and second hand cars and vans are sold – approximately 200 new units and 250 second-hand units per annum. Most new sales are to private individuals with approximately 25% going to company vehicles or fleet purchases.

Brand names represented
Brand names represented are Ford Vehicles and Berger Paint. All Ford cars and light and medium sized vans are sold and serviced by the firm.

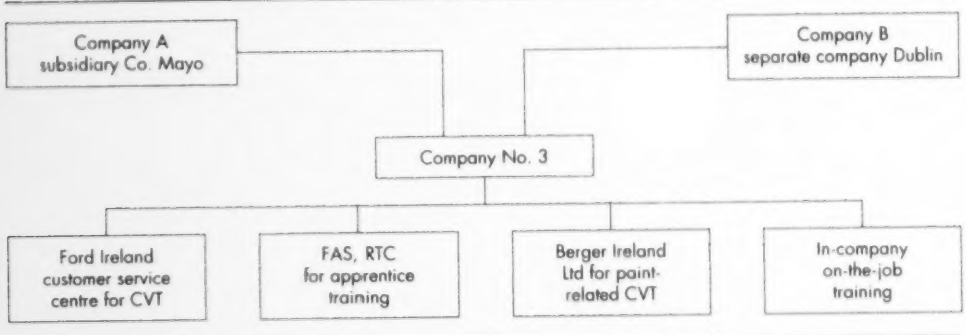
Fiesta 1118 L
Fiesta 1118 CFi C
Fiesta 1118 CFI L
Fiesta 1118 LX
Fiesta 1753 Dsl L
Sapphire 1600
Sapphire 1600 CFi
Sapphire 1800 TD Classic
Sapphire 2000i GTE
Sierra 1600
Sierra 1800 TD
Granada 2000i GL
Granada 2900i Scorpio
Orion 1400 LX
Orion 1400i LX
Orion 1600i LX
Orion 1600i CLX
Orion 1753 LX Dsl
Escort 1300 CL
Escort 1400 LX
Escort XR3i
Escort 1300i CL
Escort 1400i LX
Escort 1753 Dsl LX

Form of repair and distribution
The firm sells and services the full range of Ford vehicles, excluding heavy lorries. It carries out all types of repairs on these vehicles and provides parts direct to the public. The firm deals with all warranty work related to sales. The firm is also a licensed heavy vehicles testing centre and carries out such tests on a regular basis.

Location of firm
The firm is located in Co. Mayo, a medium sized town in the west of Ireland with a population of 6,071. The nearest major urban centres are Sligo and Galway.

Size of firm
The firms employs 24 people and has a turnover of 2.5 million and an annual wage bill of 250,000.

Figure 11 – Organizational chart of the company



51

3.2.2 Brief history of the firm and recent strategy and development

Impact of new technologies
New technology has had a major impact on the design and servicing of engines – particularly petrol engines. Fuel injection systems have necessitated the installation of sophisticated diagnostic systems. New emission control regulations coming into force in 1993 will greatly reinforce this trend. Specialist equipment will be required to service cars filled with catalytic converters – all new cars must have these from January 1993.

Over the last five years, the following developments in new technology have occurred:

- new paint technology
- new realignment systems
- computerized diagnostic equipment
- computerized stocks and services.

In investment and retraining the firm has been able to keep abreast of these changes.

Changes in the repair and distribution sector
New technology coupled with a significant expansion in the range of vehicles available to the public has brought significant changes to the workshop and the sales department. Workshop personnel must be able to diagnose and solve electronic and electrical faults using advanced computerized fault finding equipment. They must be able to service a wide range of engine types. Increasingly, mechanics are becoming computer technicians with diagnostic skills as their key skill. Faults once identified are now commonly remedied by replacing rather than repairing units. The greater range of vehicles plus an increasing amount of competition in a static market have placed greater pressure on sales staff – both for technical knowledge and customer relations skills. In the parts department computerization of stock and increasing competition from "generic" parts have also placed greater demands on parts staff.

3.2.3 Structure of the firm

Fig. 11 outlines the firms departmental and hierarchical structure. It also indicates the major executive positions.

Organization of the firm (department structure, hierarchy and major executive positions)
Occupational structure
The occupational structure is as follows:

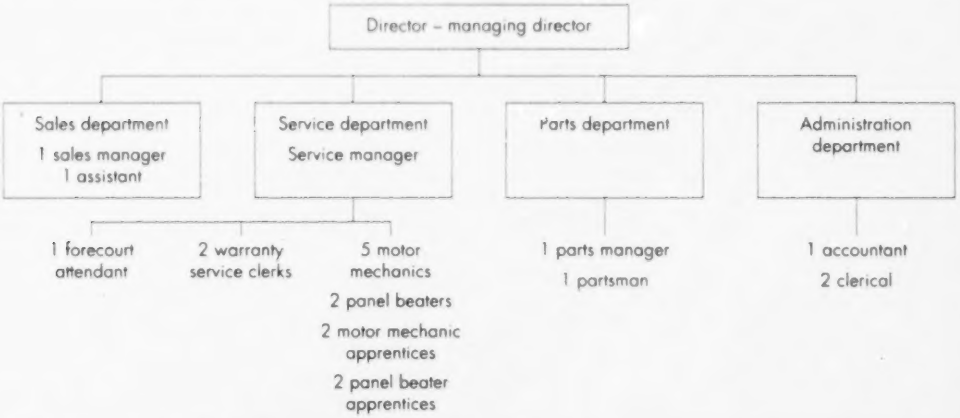
2 directors
4 departmental managers
5 mechanics
2 panel beaters
2 apprentice motor mechanics
2 apprentice panel beaters
4 clerks
1 sales assistant
1 partsman
1 forecourt attendant

Total 24

The organization of work and work process
Contact with the customer is through the firm's two directors, two sales and two parts staff and through the service manager. Service clerks and office receptionists also deal with customers. Workshop personnel do not deal directly with staff.

Work is distributed depending on the volume of work and customers needs. There are specialist panel beaters for bodywork while the motor mechanics are flexible and work on all types of repair. One mechanic specializes in diesel and light commercial vehicles. Where possible, work

Figure 12 – Organizational chart



is distributed to employees with particular aptitudes in specific areas, e.g. electronics.

3.2.4 Human resources

Labour force classified by:
Age

The firm's labour force is broken down by age as follows:

Age group	No.
0 – 20 years	3
21 – 30 years	10
31 – 40 years	7
41 – 50 years	3
51 – 60	0
60 +	1
Total	24

Sex
Four employees are female – all working in administrative functions either in the general office or in the service/warranty office.

Nationality
All employees are Irish nationals and all are employed full-time on a permanent basis.

Working conditions
Employees work 39 hours per week 9.00 a.m. to 6.00 p.m. Monday to Thursday and 9.00 a.m. to 5.00 p.m. on Friday. One salesperson and the forecourt attendant also work on a Saturday. Holidays are the statutory minimum. Wages are standard SIMI rates for craftspeople and apprentices. Management staff have a contributory pension scheme and a group VHI payment system.

Level of education of the labour force
All apprentices entering the firm attend the initial year off-the-job in a FAS Training Centre. They require at minimum a Group or Intermediate Certificate for entry into the programme. Other staff would have Leaving Certificate qualifications.

Internal promotion opportunities are limited by the small size and structure of the firm. Most mechanics remain in their occupation all their working life or until they leave the trade. Available promotion is through experience and proven ability rather than through formal qualifications. Educational levels are more important for administrative and support staff.

External situation of labour market
The local economy is growing slowly with high levels of unemployment and limited alternative job opportunities. Labour turnover is very low with many employees having long years of service. The motor trade in the area is working in a fairly static but highly competitive market with 12 other garages operating in the town.

The firm's management have found that some of the local unemployed are poorly motivated to work because of the presence of a "poverty trap" in the social welfare system. As a result, older people with dependants have very limited financial incentive to work. This situation can also have a negative effect on the motivation of existing workers.

3.3 Providers of continuing vocational training (CVT)

3.3.1 Structure in the firm
The managing director of the firm is also the training manager. In consultation with the service manager he selects employees to attend courses run by the distributor – Ford Ireland Limited. The company accountant is responsible for the administration of training and for liaison with FAS – the training and employment authority.

3.3.2 Structure of customer service training centres
Ford Ireland, the firm's distributor, provides a very comprehensive training support system for its dealers. The main areas for which training is provided are technical training and customer relations training. Ford has a full-time technical training person who provides technical training for dealer personnel throughout the country. Another member of Ford Ireland is responsible for developing a customer care training programme throughout the dealer network. These specialist staff are supported in the training area by regionally based Ford field staff who visit dealers on an ongoing basis. One of the main functions of these field staff is to promote and encourage the training run by Ford and to follow up on training received.

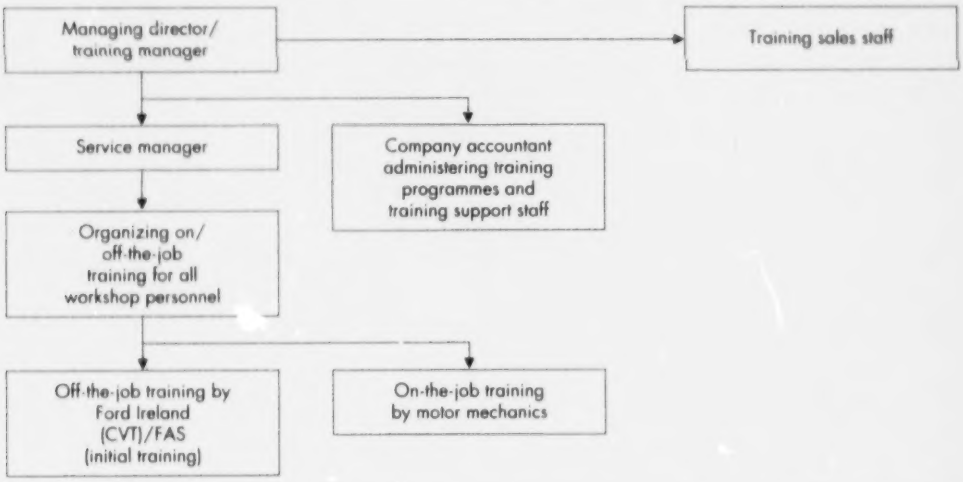
Berger the paint manufacturer also provides technical support and back-up to the firm in relation to developments in paint technology.

3.3.3 Structure of centres of trade associations
The major trade association SIMI – the Society of the Irish Motor Industry – provides a lobbying and industrial relations support service for its members. Training issues are sometimes addressed in this forum. However, SIMI and the other social partners come together on a regular basis, through the Motor Sub-Committee of the FAS Engineering Industrial Training Committee to discuss training issues and new developments which impact on the type and level of training required by the industry.

3.3.4 Structure of public centre
The publicly provided training facilities available to the firm are the FAS Training Centres in Galway

53

Figure 13 – Structure of CVT within the firm


Managing director/ training manager
Training sales staff
Service manager
Company accountant administering training programmes and training support staff
Organizing on/ off-the-job training for all workshop personnel
Off-the-job training by Ford Ireland (CVT)/FAS (initial training)
On-the-job training by motor mechanics

and Sligo and the regional technical colleges, also in Galway and Sligo. These centres and colleges mainly provide initial training for apprentices. There is no such centre in County Mayo. (A campaign is currently underway for an RTC in Co. Mayo).

The distributor, Ford Ireland, is clearly seen as the main provider of CVT for the firm.

3.4 Training policy of the firm

3.4.1 Existence of training plans or training concepts at workshop level

Annual training plans for the dealer are drawn up by the distributor, Ford Ireland, based on an assessment of priority training needs and development plans for the period. For instance, the current priorities are:

- training for new emission control and fuel injection systems involving the introduction of a new diagnostic machine FDS 200
- customer care training programmes aimed at encouraging dealers to achieve new standards of customer service.

At the workshop level the service manager in the firm works within Ford Ireland's planned training programme, selecting employees to attend particular programmes based on identified training needs. As almost all vehicles, both sold and serviced by the firm, are manufactured by Ford, Ford's programmes meet all the firm's technical training requirements.

The current recessionary position in the Irish economy in general and in the motor trade in particular may have inhibited the development of more proactive training planning system at the firm level. The presence of a significant black economy in the car servicing and repair market also means that the firm faces very tight profit margins. This may reduce the perceived returns from investments in training.

Training concepts within the firm emphasise the importance of high quality initial training, thus allowing the firm to build on solid foundations.

3.4.2 Interlinkage of training concepts and demand

Analysis of required skills

New technology and new products are the driving force behind changing skill needs. As Ford Ireland is in the "driving seat" in terms of anticipating such changes, the firm relies heavily on the distributor company to anticipate and analyze required skills. Within this framework, the firm's managers identify which particular training programmes are relevant to their particular needs and selects individual staff members to attend. It is recognized that, overall, more training is required to meet the needs of new technology and to keep up-to-date with developments in computerization. These trends are seen to be adequately covered by Ford Ireland.

Connection between required skills and training concepts

While the basic skills required by motor mechanics and panel beaters have remained largely unchanged over the last few years at a more advanced level the type of skills required to service and repair both diesel and petrol engine vehicles have changed dramatically. The motor mechanic is now largely a diagnostician, aided by very sophisticated machinery rather than a dismantler

and repairer. As new machines are constantly being developed by the distributor, this firm relies very heavily on the back-up training provided by Ford to keep mechanics up to date.

The present system for reskilling the workforce works well in this firm where the vast majority of sales and servicing work is on new and second-hand Ford vehicles. The firm complements the Ford inputs with on-the-job training as required.

Similarly any new skills needs arising from the introduction of new products, parts and machinery are met by Ford Ireland who fully brief all employees at the time of their introduction.

The introduction of computers for stock control and other office functions is creating new skill needs which are presently being addressed through both suppliers and on-the-job training.

Historical development of training strategy from 1987 to 1992 and training practices

The changes that have occurred in Ford Ireland have been the driving force for any change in the firm's training strategy. When Ford stopped assembling vehicles in Ireland, the Ford Ireland organization went through a period of great change. In the following period, their training school was closed down and their dealer training services were subcontracted out to a private consultant. In 1991, Ford Ireland decided that it would be more effective and cost efficient for a Ford employee to provide technical training and support services to the dealer network. This system is now in operation.

The training priorities that Ford Ireland identifies determine the thrust of training received by employees in the dealer network. Over the last two years, the priorities are technical training – particularly in relation to engine management systems and catalytic convertors and customer care training. As a result, all the Ford dealers have been offered training in these two areas over the last year and will continue to receive training and other back-up in these two skill areas over the next year. Training strategies for the dealer garages are developed primarily by the distributor and passed on to the individual dealer through local Ford personnel and through dedicated Ford training staff. New technology has meant a greater need for CVT over the last five years and for the foreseeable future. The firm does not consider that there are any skills gaps for which the required training is not available.

3.4.3 Target groups of training

Participation in CVT courses (1987 to 1992)

The priorities target groups for training over the last five years have been

- apprentice mechanics
- petrol engine mechanics (emission control/ computerization, electronics, engine management systems, new models)
- sales personnel (new models, customer relations)
- management training (particularly dealer successor programme)
- warranty administrators.

Access to CVT

Participation in CVT is voluntary. When Ford Ireland announces a new training programme in the local area, management recommends which employees should attend. No problems have been experienced in getting employees to attend the selected programmes. However, problems sometimes do arise in relation to access to training. More locally based training provision would encourage greater participation in training, particularly night classes.

Minorities in the industry

There are currently no females employed in the workshop or sales area. Female employees are concentrated in support services in both general and warranty administration work.

3.4.4 Training plans

Aim of the training

Training is aimed at:

- providing good basic skills through apprenticeship systems which emphasise a balance between on and off-the-job training and theoretical and practical inputs;
- ensuring that workshop personnel are kept up-to-date with new technology and product lines through distributor training programmes;
- ensuring that sales staff are kept up-to-date with new products and are constantly improving their customers care service;
- ensuring that parts and administrative employees are sufficiently trained to get maximum benefit from the on-going developments in computerization;
- ensuring long-term viability through successor training;

Development since 1987

The firm has experienced a growing need for training due primarily to technological change. Increasing competition in a low growth market has meant that all staff must be trained to the highest standards if customers are not to be lost to competitors. This requires on-going training in both customer care and back-up administrative systems. The depressed nature of the car market in Ireland coupled with the presence of a substantial

black economy in car servicing has meant that the firm is under very tight cost and budgetary constraints.

Relation between participation in CVT courses and occupational career
Progression to higher level occupations is very limited given the depressed nature of the car market in Ireland and the low levels of staff turnover.

The firm believes that recognition of experienced, well-trained craftspeople through a *"meister"* type progression system would encourage career development and motivate employees.

At present, selection for promotion tends to be based on experience and proven track record rather than possession of formal qualifications.

General description of CVT systems
As outlined above, the CVT system is led by the distributor. The distributor identifies priorities based on its knowledge of changing products and processes, and highlights updating skills training programmes required by dealers' employees. The firm's managers identify the particular employees who would most benefit from the proposed training and releases them to attend courses, provided by the distributor in the local area, or in Ford's head office. Follow-up of training received is through discussion between local Ford personnel and the firm's management.

Requirements and plans for the future development of CVT (qualification strategy)
The CVT requirements of dealers will continue to grow as the speed of technological change increases and as servicing of new vehicles necessitates the use of new highly sophisticated diagnostic machinery. Increased competition will mean a greater focus on customer relations skills while tight profit margins will mean the increasing penetration of computerized office systems in the parts and administration departments.

CVT will continue to be provided primarily by the vehicle distributor with back-up support from the distributor's locally based personnel.

Criteria for the course programmes offered
The main criteria for CVT courses is the level and type skills required to both sell and service new products and to maintain and expand Ford's share of the available market. New technology coupled with the implementation of new emission control legislation will require regular up-dating of employees skills and will result in a shift away from repair to diagnosis and replacement of parts. The growing sophistication of customers will mean a greater focus on customer care and back-up services.

Curriculum concept
Curricula for distributors courses are developed by specialist Ford personnel in mainland Europe. Ford Ireland has access to all this training material, selected as required to meet local requirements. Methods of training are a combination of practical and theoretical inputs with assessment at completion of programmes. Irish CVT programmes tend to be at the advanced level. The more basic courses are found to be unnecessary due to the strong initial training which motor mechanic and panel beating apprentices in the industry in Ireland receive.

Who carries out the CVT courses?
CVT courses are run by Ford Ireland personnel supplemented by both external experts and Ford Europe personnel. Berger, the paint manufacturer also provides in-house training for employees using their product. Added to this, on-the-job training is provided by experienced employees in the firm.

Principles of preparation of CVT programmes
As outlined above, programmes are identified and developed by the distributor and assisted by their overseas offices with dealers providing an input into the system through regular contact with distributor personnel. Workers provide an input into CVT programmes through feedback on the training received. As a result of this input, programmes are adapted before being offered in other parts of the country and are modified and updated accordingly.

CVT requirements are investigated through consultation with specialist training personnel in Europe and through regular reviews of local skill and training needs with the dealer network.

Customer service training centres
The customer service training centre (or car producer service training) provided by Ford Ireland plays a key role in planning training provision, developing curricula, running courses for dealers and monitoring developments that will affect the dealer network. The customer service training centre also provides a link between Ford's training service department in Europe and the Irish dealer network, ensuring that the training programmes offered are relevant to the needs of the Irish market. Programmes developed at central European level must be modified by the Irish training centre to ensure that they meet the needs of Irish dealers whose outlets tend to be small relative to their opposite numbers in the larger European countries.

Ford Europe has specialist staff who develop curricula to meet changing skill needs. A wide variety of courses are available in the UK for the Ford network, covering all occupational levels. Also, as referred to above, a selection of these

courses are offered to the Irish dealer network by Ford Ireland personnel operating through regional centres. The Irish-based courses are highly subsidised by Ford Ireland with a nominal charge to dealers of 7.50 per course per student compared to 60 in the UK.

The small size of dealer outlets in Ireland means that firms can rarely support specialist training staff within their own firms. They rely heavily therefore on the customer service centre to identify and meet their ongoing training needs.

The customer service centre ensures that all relevant employees in the dealer network are trained prior to the launching of all new products. This covers service, sales, parts and warranty administration staff.

The customer service centre also provides regular updating training to cover new technology and new models and parts. They also provide customer care training and management training for the dealer network.

The customer service centre is currently focusing on two areas of maximum priority for the dealer network. These are:

Technical training

Technical training for engine management systems and to cover the introduction of the revolutionary new diagnostic machine FDS 2000, developed by Ford, is to be introduced in December 1992. This tool will be essential for diagnosing and testing all, new "green engine" cars sold in Ireland from January 1993 as these must all be fitted with catalytic converters. Ford is currently ensuring that all dealers receive training in this area. All employees attending Ford courses are assessed on completion of the course and issued with a certificate stating that they have achieved the required standard.

According to the customer service centre, technical change will have huge implications for the dealer network in the 1990's. Ownership of advanced diagnostic machinery and high levels of skills for its effective use will give dealers a strong competitive edge over non-aligned service companies and over individuals working in the black economy. Effective training in this area is vital for the success of the dealer network in the next decade.

Customer care training

Ford Ireland is devoting considerable resources to encouraging dealers to focus more on customer service. A customer survey of all new Ford owners, 2 months and 24 months after purchase, is carried out by Ford Ireland. All purchasers are asked a range of questions concerning their satisfaction with the purchase. These surveys reveal any problem areas and training-based solutions are then developed to solve them. For instance, vehicle handover was recently identified as an area of customer dissatisfaction and a programme was developed to make sales staff in the network more proficient in this area.

A standard-based system for ensuring customer satisfaction has been developed. 15 standards have been identified, the first 3 of which are currently being implemented. Training literature is designed to inform employees of what the standard is and how it can be met. The local Ford representative briefs the dealers on the standards and how they can be developed and assists them in their implementation. The Ford field personnel then monitor progress on the ground and feed information back to the customer focus manager in head office. For instance a dealer implementation guide on "The Handover Process" has been distributed to all Ford dealers. This outlines an action programme for successful vehicle handover and how it should be monitored.

ISO 9000

The customer service training centre is encouraging dealers to apply for ISO 9000.

Principles of pre-qualification of staff prior to launching new products

As referred to above, the customer service training centre develops and gives training programmes to all relevant employees in the dealer network prior to product launch. Such briefing sessions are backed up with detailed specification manuals and regular service bulletins.

Changing of training concept as result of new technologies

New technologies have placed greater emphasis on continuing training both by the customer service centre and the individual dealers. The modern car will increasingly require faults diagnosis by sophisticated machinery in the hands of a highly skilled mechanic. Increasingly, such machinery and specialist knowledge of its use will be a pre-requisite to servicing new cars. Regular updating training will be vital in such an environment.

Participation of social partners and trade associations

12 of the firms employees are in a trade union – SIPTU, The Services Industrial Professional and Technical Union. The firm's owners are members of SIMI, the Society of the Irish Motor Industry, which acts as a lobby group for motor industry interests and provides an industrial relations service to its members.

57

The main forum for training issues is the Motor Sub-Committee of the FAS Engineering Industrial Training Committee – a tripartite structure. This committee recommends the type of training required in the industry and monitors developments that will impact on the manpower, skill and training requirements of the sector.

Collective agreements on CVT within the firm
The firm studied here did not operate such a formalized agreement.

3.4.5 Cost of CVT
Due to the high level of training subsidy provided by the customer service centre, training costs borne by individual firms tend to relate primarily to the wage costs of employees attending off-the-job training courses. In the firm studied here, training costs amounted on average to 10,000 per annum or 400 per employee. A significant proportion of this cost is for apprentices who spend their first year in a FAS Training Centre during which time the employer must pay his/her wages. Other significant training costs relate to the computerization of back-up and other office services and the training of staff to operate these machines.

3.4.6 Evaluation of the costs
Due to the high level of subsidy by the distributor, the cost incurred by the individual dealer does not represent the true cost of the training provided.

3.5 Evaluation of the training concepts

3.5.1 Evaluation of questionnaire for employees
Appendix 2 gives details of training received by the firm's employees over the last 5 years. This clearly indicates the importance of the customer service centre in providing updating skills training for panel beaters and motor mechanics.

3.5.2 Best practice/normal practice
The firm receives "best practice" training through its customer care service centre. This training is put into practice in all departments and feedback received through customer surveys, warranty work etc.

3.5.3 Future demands for CVT and tendencies

Necessity of mobility
The local provision of CVT courses appears to be vital if maximum attendance is to be guaranteed. This is due to the loss of income coupled with the expense of travelling if courses are not run in local regional centres. The demand from the dealers will continue to be for locally-based training provision.

Contents of CVT courses
The main priorities in terms of content of CVT training will continue to be for

- updating technical skills
- briefing on new product launches
- briefing on new parts
- updating computer skills
- on-going training in customer care
- succession training for owners and managers
- on-going apprenticeship training, modified to meet the changing needs in the world of work
- vehicle testing for all cars, if introduced in Ireland, will also bring with it some new training needs.

Concepts of CVT courses
The majority of training courses will continue to be provided through the distributor at a subsidised rate.

Strategy for CVT
The development of training structures and systems within the individual dealer firms depends primarily on the extent to which the motor business grows in Ireland over the next few years. This in turn depends on the overall recovery of the Irish economy. A buoyant Irish economy is the main pre-requisite for a buoyancy of the motor trade, while a buoyant motor trade will create very positive impacts on training and development with the individual firms.

APPENDICES

Appendix 1
Management and staff interviewed

Managing director and training manager

Company accountant

Parts manager

Panel beater

Mechanic

Appendix 2
External training courses attended 1987 – 1992

Other personnel did not attend any external training courses throughout the period.

Person/Occupation	Courses Attended			
• Motor mechanic	Transit Epic Engine Management	Ford	1992	1 day
	Waterleaks	Ford	1991	1 day
• Motor mechanic	Transit Introduction	Ford		1 day
• Clerk typist	Advanced Typing Course Diploma Cert.	RTC		Night class
	Computer course	Supplier		
	Operating DOE Computer	Ford		
• Apprentice motor mechanic	Basic Electronics		1991	1 day
• Panel beater	Painting course		1992	1 day
• Apprentice panel beater	Bodywork course Crash Repairs course		1991	1 day
• Apprentice panel beater	Bodywork and Crash Repair		1991	
• Motor mechanic	Basic Electronics		1990	1 day
	1.8D Engine		1989	1 day
	Waterleaks and Diagnosis and Repair		1989	2 days
• Motor mechanic	Transit EPIC Engine Management		1992	2 days
	Waterleaks		1992	1 day
	Central Fuel Injection Engine Management		1992	1 day
	Introduction to Transits		1991	1 day
• Motor mechanic	Central Fuel Injection Engine Management		1992	1 day
• Receptionist	Receptionist and Telephone Techniques course		1990	1 day
• Panel beater	Berger Paint course		1991	1 day
• Managing dealership Management director	Diploma in Motor Industry Management Ford of Europe		1987 – 1990	
• Salesperson	Junior & Senior Trades Certs. Motor Car Engineering City & Guilds of London Variety of Ford courses HCS Engine, 1.8D Engine, Basic Electronics Ignition Systems, emission control etc.		1987 – 1992	
• Warranty clerk	Advanced Typing Night Classes Diploma	RTC Galway	1987	
• Warranty	Administration	Ford	1990	1 day

59

CASE STUDY 4

2.

Size of company: 2

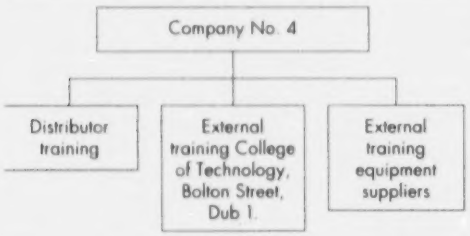
Brand name: VW/Audi

Category of motor vehicle: A

Type of firm: C

4.1 General description of the case

Figure 14 – General description of the case


Company No. 4
Distributor training
External training College of Technology, Bolton Street, Dub 1.
External training equipment suppliers

The company being studied can be categorized as follows:

It is a type 2 (size) firm. The number of persons employed is 8. The firm (selection) enters into the group C category which is an authorized repair and distribution workshop (independent, but linked to car producer). The fields of training cover sales and technical areas.

The firm is situated in Dublin City and is a Volkswagen/Audi main franchise dealer. The number of training days per year is approximately 2 days for each employee.

4.2 General description of the firm

4.2.1 Major data of the firm

Type of firm
The firm is a limited company and was established in 1989. It is situated about 4 miles from the city centre of Dublin, which is the capital and largest city in Ireland (population 1,000,000). It is a main franchise dealer and linked to the distributor Motor Distributors Limited which distributes Volkswagen and Audi cars and light commercial vehicles. (It also distributes the Mercedes and Mazda range of vehicles). The firm is independently owned and controlled. Under its agreement with Volkswagen/Audi, it is not allowed to hold any other franchise.

Categories of motor vehicles
The firm sells the VW/Audi range (VAG) of vehicles. This comprises of a large range of VW/Audi cars and light commercial vehicles with the exception of the L.T. range of light commercial vehicles which is sold only by selected dealers. It also specializes in the repair of vehicles being sold and to a limited extent the repair of other makes of vehicles. In addition, it also sells used (second-hand) vehicles. Approximately 200 new and 250 used vehicles are sold each year.

Brand names represented
The brand names represented are mainly the franchise vehicles with the exception of the L.T. range of light commercial vehicles. The vehicles listed are sold by the firm.

Volkswagen Polo 1.05 L Petrol
Golf 1.4 CL Petrol
Golf 1.8 CL Petrol
Golf 1.9 Diesel
Passat 1.8
Passat 2.0
Passat 1.6 Turbo Diesel
Audi 80 1.6 L Petrol
Audi 80 2.0 L Petrol
Audi 80 1.6 L Turbo Diesel
Audi 80 1.9 L Turbo Diesel
Audi 100 2.0 L Petrol
Audi 100 2.3 L Petrol
Audi 100 2.8 L Petrol
Audi 100 2.5 L Turbo Diesel
Polo Van 1.5 L Petrol
Golf Van 1.9 L Diesel
T4 Van 1.9 L Diesel
T4 Van 2.4 L Diesel
T4 Van 2.0 L Petrol
Vento 1.4 CL
Vento 1.8 Cl
Vento 1.8 GL
Vento 1.9 Diesel

The following vehicles are serviced by the firm:

Golf 1.3 CL Petrol
Golf 1.6 GL Petrol
Golf 1.5 Diesel
Golf 1.6 Diesel
Golf 1.6 Turbo Diesel
Jetta 1.5 Diesel
Jetta 1.6 Diesel
Passat 1.6
Audi 100 1.8 L Petrol
Audi 100 2.0 L Diesel
Audi 100 2.0 L Turbo Diesel
Golf Van 1.6 L Diesel
Type 2 Van 1.6 L Petrol
Type 2 Van 2.0 L Petrol
Type 2 1.7 L Diesel
Type 2 1.6 L Turbo Diesel

In addition, a small number of vehicles and light commercials which are traded-in are repaired and sold. The firm tries mainly to sell the same range of vehicles both new and used when possible. The most popular used vehicles sold are:

- VW Golf
- VW Jetta
- Audi 80

Form of repair and distribution
The forms of repair and servicing carried out by the firm are in the following areas:

- engines (overhaul/service)
- ignition & injections systems
- suspension systems
- exhaust systems
- transmissions
- brakes
- steering
- clutches
- electrics

This applies to all new and used vehicles sold. The workshop also services all makes of other new and used vehicles.

Location of firm
The firm is located in Dublin the capital and largest city of Ireland. It is situated on the south side of the city in a residential area. There are 11 other main franchise dealers within a 2 mile radius of the firm. Two (2) immediate franchise dealers within .5 of a mile, three (3) more within one (1) mile and the other six (6) within 2 miles radius. They all share the same number of regular and chance customers.

Alfa Romeo/Seat
Fiat/Lancia
Honda
Mitsubishi (x2)
Nissan
Opel
Peugeot
Rolls Royce/Mitsubishi/BMW
Toyota/BMW
Volvo

Size of firm
The company employs 8 people in total of which 2 are directly employed in the service and repair section and the other 6 in the sales/distribution/administration areas. It has a turnover of approximately 2.75 million.

4.2.2 Brief history of the firm and recent strategy and development
The firm was established in 1989. When the site was identified and chosen in South Dublin, a franchise agreement was formed with VW/Audi as there was no VW dealer in this area. The site serves as a sales office only and the repair shop is in a different location.

Impact of new technologies
The impact of new technologies have not caused any major concerns as the trained motor vehicle mechanics are well capable of identifying problems as they arise. The firm had to invest, as part of their franchise dealer agreement, in diagnostic equipment (mainly VW/Audi recommended) which they have done. The senior mechanic worked on VW vehicles in Germany for some years and had attended many training courses before returning to Ireland. The firm recognizes the need for retraining and the mechanics are sent on a higher % of courses than other members of staff.

Changes in the repair and distribution sector
The type of work carried out has not changed since the firm was established. At workshop level, the work is mainly diagnostic followed by the repair to rectify the faults found. However, on older cars there is still a variety of jobs being carried out. Since there is only a small amount of older makes for repair, the range of this work is limited.

4.2.3 Structure of the firm
The firm has 3 working directors. One of the directors is entirely responsible for the accounts and administration of the firm. The other two are responsible for sales of which one is also responsible for the after-sales service, parts, cleaning and valeting.

The firm is located on two different sites. The sales/distribution/parts is on one site, the repair section on the other. This seemingly does not present any problems when dealing with customers or arranging the work schedule for the day. The distance between the site is .5 mile.

Organization of the firm (department structure, hierarchy and major executive positions)

Occupational structure
Occupational structure – 1992
3 directors
1 after-sales manager employed (new position created)
2 mechanics
1 partsman
1 valet
Advertised for additional motor mechanic (in December 1992)

Occupational structure – 1991

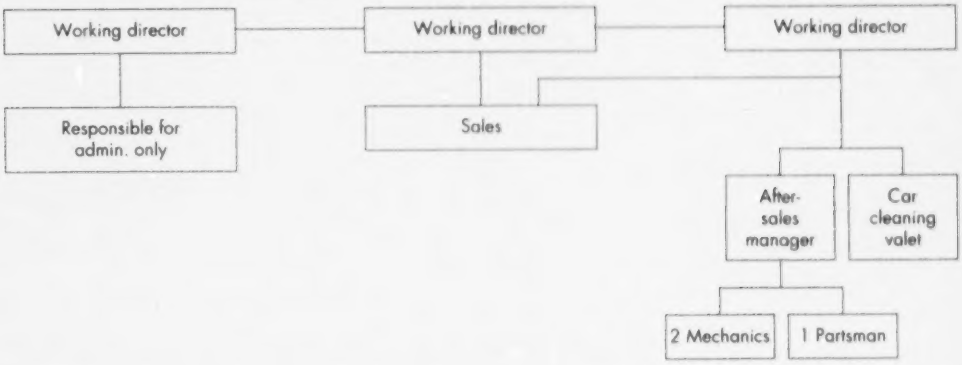
Service workshop	service manager employed
	service manager resigned within 3 months
	new motor mechanic employed
Parts	partsperson employed
Valet	1 valet employed

Occupational structure – 1990

Service workshop	one motor mechanic resigned
	new motor mechanic employed

61

Figure 15 – Organization of the firm



Administration	One secretary resigned One secretary employed as director (administrator, finance, accounts etc.)

Occupational structure – 1989

Management	Two directors
Service workshop	One motor mechanic
Administration	One secretary

The organization of work and work process

As described in Figure 15. All of the after-sales, repairs, parts etc. is controlled by one director. He relies on the after-sales manager to organize the workload and ensure the standard of customers satisfaction for repair work. This director also deals with sales when available. Another director is solely responsible for the administrative and accounts side of the business and the other director deals mainly with sales.

The firm has the simple concept that a director is always available to meet the customers. It is felt by the firm that if the customers are looked after properly, they will continue to buy the (VAG) range of vehicles and if they do change the make, they will return for servicing to the garage. The directors deal with all the sales. The work process within the service department is controlled by the after-sales manager. He consults with the senior motor mechanic who has a wealth of experience and is a very good workshop organizer. The senior mechanic distributes the work within the garage. He recognizes the need for training and requests special or additional training when required.

4.2.4 Human resources

Development and number of employees

	Male	Female	Total
1989	3	1	4
1990	3	1	4
1991	6	1	7
1992	7	1	8

Labour force classified by:

Age group	No.
0 – 20 Years	1
21 – 30	3
31 – 40	3
41 – 50	1
51 – 60	0
Total	8
Sex	
Male	7
Female	1
Total	8

Nationality – All Irish

Conditions of employment:

All staff are paid on a permanent basis. There is a trial period of 3 months for each employee. No pension schemes are in operation yet in the firm and there are no contractual agreements.

62

Working conditions:

Hours of opening:	*Monday – Friday*
Parts/administration/service reception (half hour lunch break)	8.45 – 18.30
Service workshop (half hour lunch break)	9.00 – 17.30
Sales	8.45 – 18.30
Sales Sat	10.00 – 16.00

The 2 sales directors alternate each Saturday.

Working hours

Sales	Monday – Friday	48.75 hours
	Saturday	6 hours (every 2nd week)
Parts/ administration	Monday – Friday	46.25 hours
Workshop	Monday – Friday	39 hours

Each mechanic starts 1 hour late one day each week.

Holidays
Three weeks holiday per year are allowed (statutory minimum) and bank holidays.

Salary structure (average monthly salary and salary system)
The salary structure is as follows: Only 3 staff are paid an hourly rate.

Motor mechanics (x2)	5.38 per hour
Cleaner	3.74 per hour

All other persons are paid a salary and bonus. There are no apprentices employed by this firm.

Social and economic benefits
Overtime is not normally worked and if found to be necessary, payment is given at the appropriate rate.

Level of education of the labour force
Along with qualifications the ability to do the job to a high standard is essential. More importantly is the willingness to work within a small team network.

- 5 (62.5%) of the employees have received a Leaving Certificate. This is the highest 2nd level qualification available.
- 2 (25%) motor mechanics have National Craft Certificates attained after serving an apprenticeship.
- 1 (12.5%) of the workforce has a Primary Certificate – a 1st level qualification attained at approximately 13 years of age.
- 3 (37.5%) of the above mentioned employees have a 3rd level qualification (3 years duration).
- 7 (87.5%) of the employees have received C.V.T. to some degree with the distributor and external training agencies.

Internal promotion
Internal promotion is not a consideration within this firm at the moment. Unless the firm expands, promotion will not take place.

Criteria for recruitment
Experience and ability to work with a small team is essential. Qualifications are important but having worked in a VW/Audi franchise previously would have a large influence on technical appointments. The junior and senior examinations of the Department of Education are required (National Craft Certificate) for motor mechanics. There are no requirements for other areas within the firm except that one has proven experience.

External situation of labour market
Due to the poor car sales a small number of garages have closed down which leaves a labour force available in this sector for a variety of vacancies. If sales increase during 1993 there will be a corresponding rise in appointments within the sector etc.

Comments on specific problems not covered above
The motor mechanic in the motor vehicle sector has been recruitment ground to a host of other areas, i.e. maintenance fitter, aircraft engineer, maintenance engineer, machinists, etc. It is recognized as one of the most versatile and multi-skilled of the trades.

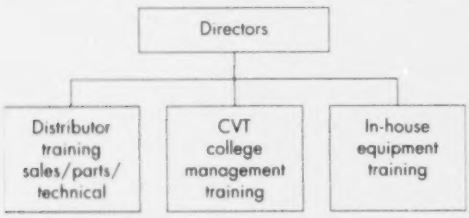
4.3 Providers of continuing vocational training (CVT)

4.3.1 Structure in the firm
Discussions between the directors take place as to the training needs of the firm on a quarterly basis. If particular staff wish to be sent on a course they ask the director and he discusses the need for the course with the other directors. There is no difficulty with distributor training as all courses required, especially technical/parts are allowed. At present 1 member of staff is attending a management course at the College of Technology, Bolton Street, Dublin (30 weeks duration – 1 evening each week). All fees for courses are paid by the company.

4.3.2 Structure of customer service training centres
VW/Audi distributors have an in-house training centre at the distributorship. All the training is organized at that centre. One full-time and one part-time technical trainers are employed with a back-up from the service department. One trainer carries out the in-house training and the other trainer travels to local garages and conducts the courses for members of VW/Audi franchise. The

63

Figure 16 – Structure in the firm



sales training is organized by the distributor also and takes place at the training centre and in special cases in public centres and hotels around the country.

4.3.3 Structure of trade centres

There is one main trade association – the Society of the Irish Motor Industry. Its main function is as a lobbying and industrial relations support service for the industry. Training is not a function of the society, but in recent times they have become involved as the demand has arisen. The demand is monitored by the requests from members i.e. 1992/93 Programme of Training.

Depending on the requirements the venues of the courses vary, but are made available in most counties.

Distance learning is being developed with the College of Technology, Bolton Street in the areas of forecourt retailing, bodyshop and parts training and will be in operation during the spring of 1993.

Over the past ten years, the Society of the Irish Motor Industry has arranged regular visits by its members in the body repair business to the Thatcham Research Centre in the UK. This organization was established by the Motor Insurance Research Association to promote the use of more efficient repair methods and to encourage motor manufacturers to design body components which are less costly to repair. The Thatcham visits enable Irish repair shops to see how major body repairs can be carried out in the most efficient way and to study the latest technology and techniques in body repair.

Thatcham Research Centre has a number of useful videos on repair techniques which SIMI make available to their members.

Although the society has not developed training any further than that mentioned it awards Mechanic and Technician Diplomas to its members and also to non-members if they complete certain national examinations. It also operates a Bursary Fund for students who cannot pay fees for courses to advance themselves. The firm has not sent any of its employees on the society's course as yet, but is a member of the society.

Table 1 – Vehicle sales training 1992/1993

Course	Duration	For whom
Sales motivation	1 day	Junior & senior staff
Vehicle sales & preparation	1 day	Junior & senior staff
Selling skills	1 day	Junior & senior staff
Customer legislation and customer problem workshop	.5 day	Management with responsibility for customers
Sales management	1 day	Sales managers for sales teams

Table 2 – Management training

Course	Duration	For whom
Time management	1 day	Management & administrative staff
Computers for the motor industry	2 days	Service management
Requirement of dismissals legislation	1 day	Service management
Employee problem "workshop"	.5 day	Service management

Table 3 – Health & safety

Course	Duration	For whom
First aid training	1 day	Any member of staff
Safety statements	2 days	Senior management

4.3.4 Structure of public centres

The publicly provided training facilities available to the firm are the FAS Training Centres and the College of Technology. These centres also provide training for apprentices.

The public centres available are operated by two government departments. The Department of Labour operates the FAS Centres and the Department of Education operate the 3rd level colleges. At present, the FAS Centres only cater for 1st year apprentices and a small amount of specialist courses at evening time, whereas the colleges have a tradition in operating at mechanic and technician levels as well as a host of specialist courses for the trade. The holders of the Technician Certificate in Transport Engineering and Diploma in Motor Industry Management in this firm have all attended the College of Technology, Bolton Street.

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Figure 17 – Structure of public centres

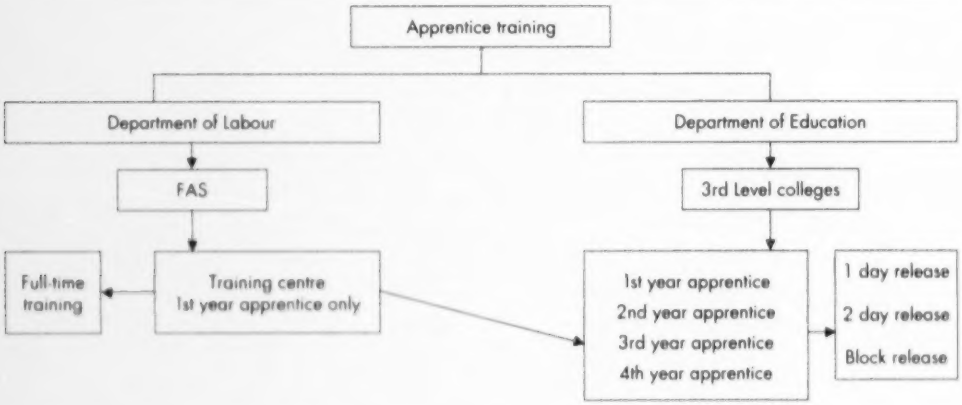
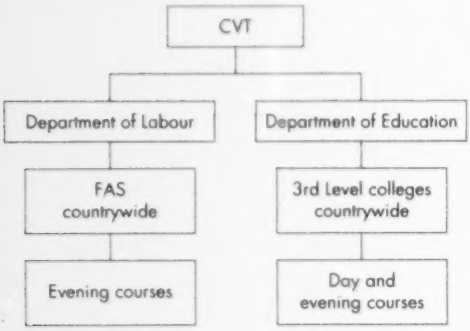


Figure 18 – Structure of public centres, continuous "vocational training"



4.4 Training policy of the firm

Franchise dealer (A)

The firm's outlook on training is to ensure that its staff are aware of all technical changes that take place and train accordingly. The parts and sales personnel are also updated on the changed replacement parts and systems. The directors make sure some training is provided, but as the firm is small, it is hard to plan ahead too far in advance.

Distributor (B)

The firm has a definite training policy. It continually trains the trainers who increase their expertise in dealership personnel. The trainers attend courses mainly in Germany which are sometimes held in German and aided by an interpreter and some of the courses are held in England. The distributor feels it is essential that his trainers attend all the courses available. During 1992, each trainer attended courses for 15 days. They feel that contacts with the manufacturer is very important and liaison with the course designers and providers is absolutely necessary. In fact, the contacts made with the designers often proves more useful times as discussions can take place on the telephone and information can flow more readily each way as to any problem which may arise when giving the courses in the school.

4.4.1 Existence of training plans or training concepts on workshop level – (Dealer)

The firm does not have a specific training plan at workshop level. As stated previously, it ensures the staff attend all the necessary courses operated by the distributor. It also makes recommendations as to what should be specific on the courses and notes problems as they arise and pass them to the trainers so they may be included in the training design plan.

4.4.2 Interlinkage of training concepts and demand

Analysis of required skills

In this case, the analysing of skills is left to the distributor. The distributor's trainers are very much aware of the Irish market needs and although the training courses are held in Germany, they are adapted for Irish needs. The firm selects the staff to attend the courses and the distributor has a record of attendance and can request certain staff to attend from any of its dealerships.

Any course not carried out over a 3 year period is normally repeated. Dealers can influence the plan insofar that if a particular courses is not necessary, they will not operate the course. For instance, the distributors have not run a gearbox course in recent years because the necessity to do so has not arisen.

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Connection between required skills and training concepts
The VW/Audi range of vehicles have been modified over the years in line with technological changes. It was found that although the basic skills have not changed, the range of diagnostic skills have been increased considerably. The distributor relies to a large extent on the apprenticeship system for basic levels of education and training and develops C.V.T. around those standards. The C.V.T. in the distributorship also caters for new employees in the dealership whether VW/Audi trained or not and ensures that programmes meet their needs also. In fact the training programmes are designed at distributor level to cater for the needs of the whole dealer network. This information is gained from the service representatives who visit the garages on a regular basis and send in weekly reports on the problems they encounter.

Historical development of training strategy from 1987 to 1992 and training practices
Since 1950, the MDL group had a training centre which was controlled by a group training manager. During 1989 the company split into 3 separate units each responsible for its own training. There were 2 training schools, one each for Mercedes and VW/Audi. The VW/Audi school was also used by the Mazda group until September 1992. At that time, Mazda opened their own training school.

Prior to 1990, training was carried out in the school only. Some of the training courses were of 1 week's duration. Since then the duration of training has changed to 2 days maximum but in most cases, 1 day at the training centre. Since 1990, training is also carried out at public training centres and dealerships. The travelling trainer visits firms and gives short courses (1 – 2 hours) to the staff on modifications etc. This has proved to be successful and all the staff receive some training in each firm. It also means that a number of dealers can receive training each day in that locality. This distributor has recommended that a training room should be part of the design of the dealers premises.

4.4.3 Target groups of training

Participation in CVT courses (1987 to 1992)
The structure of CVT in this distributorship is based on a series of levels for many of its programmes:

i.e. 1. Basic Level
2. Proficiency Level
3. Technician Level

This means that only persons who have covered previous levels can continue on the courses. Each year the training school sends a list of available courses to its dealers as well as all public centres. This states the topics to be covered, the time of the year, level and duration of the course. Each course has a stated objective and is monitored by a series of tests/questionnaires to see if it is reaching this objective and changed accordingly. Because of these constraints, it is necessary for the dealer to plan ahead for the year as to which staff will attend courses. The distributor can recommend staff to attend if they think it necessary.

Access to CVT (compulsory or voluntary)
Under the dealership agreement, CVT is compulsory with the distributor. The course programme is planned well in advance so that the dealer will have no problem in organizing the release of staff for the courses. At the firm's level, one is expected to attend the CVT courses of the distributor. Other CVT is not necessary, but at present one of the staff is attending an evening management course at the College of Technology, Bolton Street.

Minorities (women, foreigners etc.)
(Distributor)
Practically all services are conducted by men. The administrative area is serviced mainly by women. There are no females employed in the technical area.

(In-firm)
The only female in the firm is a director and controls the full administration of the firm.

4.4.4 Training plans

Aim of the training
The fundamental aim of training is to guarantee that the customer gets the best service at all times. To achieve this, both sales and technical training programmes are conducted and analyzed each year to see if they are achieving their objectives.

Development since 1987
A – Dealership
When the dealership was established in 1989, all staff had a number of years work experience. Since then, every staff member has had some training and in 1992, a total of 15 days training took place mainly for technical/parts/after-sales staff. This is because of technological improvements and vehicle redesign.

B – Distributor
The development of training in the distributor has been taking place since 1950. No expense has been spared in having the required training equipment. The facilities have been updated constantly and the courses are monitored closely to see if they are reaching their objectives. The managing director, service/sales managers and trainers meet at regular intervals to discuss the planned course and their contents.

66

Relation between participation in CVT courses and occupational career

Dealership

The members of the firm feel that CVT helps to make their job easier and are more confident in carrying out tasks particularly when dealing with new technology for the first time.

Distributor

The distributor's records will show the standards within the dealer network of all the personnel. This also shows the standards throughout the country. If promotion is taking place within a dealership, the distributor knows which is the most qualified or best person to fill the vacancy. In many cases, those who have attended most of the courses are held in high esteem. This could be a consideration for promotion within the garages.

General description of CVT systems

A short list of distributors CVT is listed below:

ABS
Mono Motronic Engine Management System
Digifant Engine Management System
K.E. Jetronic Engine System.

Each course states:

duration
objective
subject covered
who should attend
and concludes by filling in a questionnaire.

Most courses conducted in recent times are of 1 day duration. The maximum is 2 days and in local garages 1 to 2 hours duration. Other CVT at public centres include:

parts
diagnostic techniques
steering
brakes
diesel equipment/engines
electronics
management systems
management etc.

Requirement and plans for the future development of CVT (qualification strategy)

Because vehicle sales are low in Ireland, it is important that future development of CVT is constant if each distributor is to keep his share of the market. CVT at present does not give qualification status, but during 1993 this distributor hopes to award for the first time VAG Technicians Certificates (based on a set of courses which must be completed) that the public will recognize.

Criteria for the course programmes offered

The criteria is based on the relevant changes on new products, but just as important is the handling of customers so as to retain them. Development in customer awareness for all grades of staff might develop faster if it proves to be necessary.

Curriculum concept – contents, methods and level of courses

As mentioned earlier on, the curriculum concept is designed by VW/Audi and then redesigned if necessary for the Irish markets by the trainers. This is also affected by the level of staff the dealers employ and the frequency at which the courses can be conducted. Each stage is monitored for standards and this can decide the pace of training also.

Who carries out the CVT courses?

The distributor carries out the majority of CVT courses as well as equipment suppliers and public centres.

Principles of preparation of CVT programmes (participation of other departments, direct suggestions from workers, form of investigating CVT)

The principles of preparation of CVT programmes are guided mainly by the designers of the new technology. Manufacturers trainers receive feedback from the dealers through the distributors in each country. In most cases, the distributors trainers know the dealers and are aware of their standards. They change the prepared schedule to suit the needs of the Irish market. This preparation comes from results of the courses already conducted and suggestions from participants.

Customer service training centres (involvement of service training departments in planning process of courses; is service training department a relay between workshops and development departments?)

The customer service training centre (or car producer service training) provided by VW/Audi plays a key role in planning training provision, developing curricula, running courses for dealers and monitoring developments that will affect the dealer network. The customer service training centre also provides a link between the training service department in Europe and the Irish dealer network, ensuring that the training programmes offered are relevant to the needs of the Irish market. Programmes developed in Germany must be modified by the Irish training centre to ensure that they meet the needs of Irish dealers whose outlets tend to be small relative to their opposite numbers in the larger European countries.

Principles of pre-qualification of staff prior to launching new products

It is felt necessary that at least one member of each dealer should be trained in the product prior to launching. Depending on all new modifications of the product, those who can understand the

67

technology (undertaken courses) are invited to new product courses prior to launching. All service managers are also invited prior to the launch.

Changing of training concept as a result of new technologies
New technologies will present changes in the training courses at present being operated. They may require more in-depth courses or the level of courses may be modified or extended because of the technology to suit the needs of the distributor. If the standard of apprentice training stays in line with technological development, it will reduce a considerable amount of basic CVT training. Bringing the training to the garage will also make it more accessible to more participants and this is being undertaken at present.

Participation of social partners and trade associations
Social partners
The relationship between the social partners has not played a major part of the design of the training and testing of CVT at this level, but they have a large part to play in the national apprenticeship curriculum design.

CVT (Dealer)
The staff are concerned that they will be kept up to date. They know that the commitment is there from the distributor and the dealer and that following their own private study at college (evening courses) they will be more employable if employment trends change.

Trade unions
The trade unions have no part to play in the design or implementation of CVT. They are involved in motor sub committees and industrial trade committees which provide funds for CVT at public centres and are also one of the social partners.

SIMI
Both the dealer and distributor are members of SIMI, the trade association which represents the employer. They normally do not get involved with the internal training plans.

Collective agreements on CVT within the firm
There is no agreement on CVT within the firm. The firm pays the costs of evening CVT courses undertaken by staff.

4.4.5 Costs of CVT (during the last five years)

Dealer
The cost to the dealer during 1992 was 15 days total distributor CVT and a management course at a public centre – 30 evenings duration. This costs approximately 3,300 and does not take into account the earnings lost to the dealership.

Distributor
The cost of CVT to the distributor is enormous as it involves employing 1 full-time trainer and 1 part-time trainer, both of whom have a considerable amount of travel mainly to Germany to update their skills. Also, there are the costs of one of the trainers to continually visit the dealerships country-wide as well as of equipping the school at the distributorship.

4.4.6 Evaluation of the costs

The costs are worthwhile as customer satisfaction in both sales and service sectors is very high and is seen as a direct result of CVT.

4.5 Evaluation of the training concepts

4.5.1 Evaluation of questionnaire for employees

Table 4 – Evaluation of questionnaire for employees

	1989	1990	1991	1992
Product knowledge	2			
Sales			2	1
After-sales		2		
Parts			2	4
Service			5	9
Car cleaning				1
Total	2	2	9	15

4.5.2 Best practice/normal practice

This firm's training is seen as normal practice by the distributor which keeps the level of service and customer satisfaction to a high standard.

4.5.3 Future demands for CVT and tendencies

Necessity of mobility
The basic apprenticeship in Ireland ensures that the mechanic is versatile with all types of operations on the vehicles. This is endorsed by the distributor as he requires all of the dealer staff to continue this versatility and carry out as large a variety of jobs as possible.

Contents of CVT courses
A brief outline of some of the technical courses are:

- Understanding the design, construction and technical features of the components of the particular course being attended.
- Being capable of carrying out fault diagnosis, servicing, adjustments and repairs on the

components mentioned. Subject areas covered:
operation of basic adjustments
introduction to practical work
testing/checking of each component

The main priorities of the courses are:
to update technical skills
to update computer skills
succession training for dealers
on-going training in customer care
CVT after apprenticeship

Concepts of CVT courses
The concepts will mainly come from the manufacturer but ways of carrying out the courses may come from the network as a whole.

Strategy for CVT
The development of training structures and systems within the individual dealer firms depends primarily on the extent to which the motor business picks up in Ireland over the next few years and this in turn depends on the overall recovery of the Irish economy. A buoyant Irish economy is the main pre-requisite for a buoyant motor trade, while a buoyant motor trade will create very positive impacts on training and development with the individual firms.

4.6. Conclusions in relation to best practice and normal practice

The distributor shows evidence of best practice in its commitment and research to CVT.

PART 3:
TRENDS

1. Conclusions of case studies
2. Summary conclusions
3. Appendices

1. CONCLUSIONS OF CASE STUDIES

Normal and best practice

Organization of work
The organization of work at distributor level is very professional. The franchise dealers benefit from this expertise as training in administration and organization filters down to these outlets. The non-franchise dealers (who tend to have smaller operations) depend on public centres to supply the skills needed for work organization. The organization of apprentice training is at national level and because the major part of the work is in vehicle repair there are standards of excellence countrywide. To assist dealers both technically and administratively, some distributors have installed computerized links with them. Most dealers at this stage have installed computerized packages mainly for administration purposes.

Skills: polarisation versus all round
At no time in the history of the motor industry in Ireland did polarisation of skills (within trades) occur. Because of the small number employed in the retail outlets and also because of a large model range, all round skills (in all aspects of the vehicle) were found necessary for the survival of the dealership. The broad training at apprentice level is continued at CVT level both at franchise and more importantly non-franchise levels.

Relation between producer and workshop
The relationship between franchise dealers and the distributors (which is approximately 50% of the dealers) is very good. As these dealers are independent units, all negotiations are carried out before the contracts are signed. The contracts stipulate the amount of equipment – the facilities required in the workshop – the level of training for service, sales, parts, management and administrative staff, frontal signage, forecourt layout etc. Although some franchise dealers are released from their contracts most of them remain loyal to the distributors for long periods.

Customer relations
The dealerships have in recent years been further developing good customer relations procedures. The firms that have done so are not only keeping their customer base but expanding on it in a difficult market. As mentioned before, the advantage generally lies with the franchise dealers where help is provided in the organizing of skills at distributor level.

Regulation/de-regulation of training
The only regulated training is apprenticeship. Other disciplines – parts, sales management are not governed. It is intended to introduce a new motor mechanic apprenticeship during 1993. The proposal is for a standard-based approved apprenticeship in line with European practice. Also intended is to increase the number of trades to areas not yet designated as such and issue a National Craft Certificate to each of these.

Level of education
The level of education of the workforce in the garages studied, is similar to that of other engineering branches of the industry. The 8% of the employees with primary school certification were in the upper age bracket, while 15% had third level education and were in the thirty to forty-five age group. Of the other 77%, 48% had achieved the intermediate and/or group certificate. A combination of the 77% of employees also went on to receive trade qualifications.

Minorities
The number of women employed in the industry is quite small. As yet they do not have a foothold in management positions. Their duties are mainly in office/administrative areas. In one case study, however, a director of the garage was a woman.

Problems of the six dimensions of the social dialogue
Training plans and training concepts at workshop level
In general there are plans for CVT in most main franchise dealerships which are regulated by the main distributor. The organization of training as well as the selection of personnel to attend training courses is usually left to the manager of the dealership. Sometimes the same employee is selected to attend a number of distributor courses and because of this some employees only receive limited opportunity to attend any courses, if at all. In the case of one of the firms studied, a whole training concept had to be designed, as there was no external support at any level. In the other three studies, each of the distributors employed technical training personnel on a full-time basis to design and develop training courses.

Interlinkage of training concepts and demands
The plans are initially developed at the manufacturing base (outside Ireland) and are adjusted by the distributor to suit the specific needs of this country. The distributor/importer monitors technical problems as they arise and organizes courses to suit the most urgent requirements to alleviate customers difficulties. The distributor also relies on feedback from the trainers and participants of the courses to enhance the training plans. During some courses tests are conducted and the results are reviewed in order to obtain information that will improve training methods.

Home
It is possible to take home manuals and reading material from most dealers. At least one distributor has a competition which is partly aided by home study. There is little home study required by most dealerships.

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Target groups of training
Technical groups tend to receive considerably more formal training than those in parts, sales and administration. Rapidly changing improvements in technology and vehicle design have led to this need for increased technical training. Unfortunately, management training has not been treated with the same regard. However, in one study all employees of the distributor and its 53 dealerships were required to undertake training in a customer awareness programme as part of the overall training philosophy of the manufacturer.

Contents of the training programme
The aim of the programme is to update and familiarise personnel with the design/price/service details of new products. The technical courses are structured in such a way that they have different levels and a sequence must be followed to complete all the courses. Most of the courses enhance the skills and knowledge of the candidates. In some cases a qualification may be obtained internally (technician) and it is expected that this will reduce overall training time if higher standards are reached by the employee. It is also seen as a means of providing mobility and promotion for the workforce within the distributorship network.

Cost of training
The cost of training can be considerable for a small dealership. Wages and travelling expenses have to be paid to the individual when he/she is absent from work to attend courses. The loss of profit from labour can be quite expensive and this limits the number of training days per individual each year. The cost to the distributor is also considerable as he must employ full-time trainers and develop a training school. Each of the distributors provide a budget to ensure that adequate standards are maintained especially when new model vehicles are introduced onto the market.

Evaluation of concepts and costs
Normally the total costs of training are not evaluated by all companies but they have detailed records of courses attended and the cost of such courses and their relevance to the company. An analysis of the total costs could be carried out if required. The results of training are seen as providing a better quality of work leading to customer retention which in theory is a financial benefit to the company.

Grants
There is a levy training grant from which the employers can recoup certain costs each year. It incorporates a self rating process where an employer can be given credit for the training given. This benefits the organization in so far as allowing more employees to partake in training for the annual budgeted target each year.

72

2. SUMMARY CONCLUSIONS

Trends of economy, employment and training

Motor vehicle sector and GNP
The Irish Gross National Product in 1991 was £24,250 million. The turnover, excluding Value Added Tax, of the motor vehicle sector (excluding filling stations) was approximately £1,500 million. Thus, the motor vehicle sector accounted for 6.2% of GNP.

Trends of the economy
Ireland has a small open economy with an unemployment rate of 16.5% (300,000). It has managed to have a growth rate of 2.5% while keeping inflation under 3%. It has a balance of trade surplus and this trend is improving steadily. The average automotive rate is approximately 26% and the vehicle population stands at about 800,000 cars.

With the uncertainty of the Irish Punt (which is somewhat linked to Sterling) the business sector is hesitant in expanding its operations. Interest rates are expected to remain high for the rest of the year. It is estimated that the same number of cars sold during 1992 will be sold in 1993. No real growth is expected in the motor vehicle sector. (Since January 1993 the interest rate has dropped to its lowest level in many years.)

Employment
Employment in the motor vehicle sector has reduced in recent years from an estimated 24,000 (1988) to 17,000 (1992). The only area where an increase may occur is in vehicle testing which was implemented on January 1 this year for light commercial vehicles and under EEC law in 1996/98 for passenger cars.

Training
Since January 1, 1993 all cars sold must have a catalytic converter fitted. The emphasis on training will shift towards meeting the demands required by these vehicles i.e. engine management systems, petrol injection etc.

Although training is already taking place in this area only a small percentage of the national fleet is engine management controlled. This will probably be the area concentrated on most in years to come.

Problems

Employment practice
The Society of the Irish Motor Industry negotiates with unions and government for their members. Non-members tend to operate these arrangements and although not legally binding, they are accepted nationally.

Working hours
The agreed number of 39 hours is standard for workshops and parts departments. Sales people see themselves as allied to management and are not unionised. Their normal hours would not exceed the statutory 48 but in some instances come close to it.

Claims of employer/employee
The state does not regulate or interfere with problem solving aspects of employment. The Voluntary Principle of industrial relations exists whereby problems between employer and employee are solved by joint agreement.

In a unionised firm, it is easier to get the negotiated agreed conditions. When unfair dismissal occurs no union bargaining has to take place. If relations break down during dismissal, the unfair dismissal is protected by legislation.

Economic problems
Since early 1992 the high interest rates and high overdraft facilities have definitely affected the operation of dealerships. Cars purchased or financed by the dealer can have a devastating effect if sales are not performing. This has led to the closure of a number of dealers in recent times.

Devaluation by 10% of the Irish Punt has increased vehicle prices by a corresponding amount. The average new family car may be priced too high which may lead to a downturn of sales. Uncertainty within the financial sector has a knock-on effect on the average persons finance, and coupled with high unemployment prospects, may lead to low sales in the coming years. Benefit in kind is also regarded as a large problem when it comes to buying and selling new vehicles as this tax stagnates new expensive car sales and has a knock-on effect on the employment in the service and parts sections of the industry.

Governments agreements on training
The government agreed with the social partners and other interested groups in early 1991 a Programme for Economic and Social Progress (PESP). The programme is likely to last for a period of three years. The key objectives of the programme include the promotion of economic growth, increased employment, a major assault on long-term unemployment, measures in relation to social development, equity in taxation and the development of worker participation and rights.

One component of PESP is education/training. The objectives set are:

- the provision of a broadly-based education for all ability levels during the compulsory cycle of education.
- the encouragement and provision of facilities to help pupils to continue in full-time education during the post-compulsory period (16–18) by

73

the provision of a range of education/training programmes geared to the pupils' abilities and aptitudes.
- with urgency, to address the needs of those with educational difficulties and the "under-achievers" during the compulsory cycle.
- the provision of "second chance" education/training for those who have left the system prematurely.
- the provision of facilities for mature students to upgrade their education and/or training levels.

A number of measures are set out to achieve these aims including the provision of staffing and financial resources. The PESP also indicates that the Vocational Training Opportunities Scheme for the long-term unemployed will be further developed and expanded as will the Youthreach Scheme for early school leavers and other literacy and community programmes. Strategies for continuing and adult education will be addressed within available resources by providing skill training for those completing their formal schooling so as to equip them for the world of work, providing those who leave the school system prematurely, facilitating mature (older) students within the educational system in upgrading their education or training levels, and co-operating with FAS in relation to its training remit for the workforce.

The PESP also outlines the commitment of government and social partners in the area of equality and equal opportunities. In relation to training, the PESP notes the expansion undertaken by FAS under the previous Programme for National Recovery and of opportunities for women to take up careers in non-traditional areas. This was achieved through the FAS Positive Action Programme which included among its features precise target-setting and pre-apprenticeship courses. The PESP indicates that these targets will be increased, particularly as regards pre-apprenticeship training and courses designed to prepare more women for FAS mainline training programmes.

A Co-Operative Development Council and Co-Operative Unit were established within FAS under the terms of the Programme for National Recovery in 1988. The Council and Unit have since developed a wide range of promotional activities, business support, innovative training programmes and research with the aim of helping promote and develop workers' co-operatives. The PESP confirms the government's intention to continue the work of these bodies for a further period and to progressively increase their budget.

The PESP sets out the agreement of government and the social partners to develop a new apprenticeship system which would:
- be based on standards achieved rather than time served;
- ensure a satisfactory balance between supply and demand for apprentices;
- reduce the financial cost to the state while maintaining quality;

The PESP indicates that the funding of the new system will be discussed by government with the trade union and employer organizations in the Central Review Committee of the PESP. This has now been done and agreement has been reached to fund the off-the-job wage costs of apprenticeship through a 0.25% levy on employers in the four sectors of the economy where apprenticeship is most important.

The government also agreed a new integrated approach to measures for the long-term unemployed. The approach is designed to implement a community response in particular local areas. This new "Area-Based Strategy" will have local communities as the primary movers, will integrate the various existing initiatives of the state bodies and will have a two part modular approach. One set of modules will include education, social welfare, health, training and manpower measures. The other will include enterprise creation and employment opportunities in firms.

Ten local areas, including both urban and rural communities, were selected to pilot the approach. In these areas, local partnership companies have been established representing community interests, public service providers, local authority officials and social partner representatives. These companies have analyzed local needs and opportunities and developed plans to meet these needs. The plans are then implemented by the relevant public authorities (who maintain responsibility in deciding controls and expenditure in respect of their activities). National co-ordination for the development of the area-based approach rests with the Central Review Committee of the PESP.

Reality and perspectives of employment, need of training and quality of training

Employment

Employment in the motor vehicle sector will remain static or increase slightly with the introduction of compulsory light vehicle testing which was recently introduced. If the government relents and allows car testing to be brought forward from 1998 a further increase (1,000 jobs estimated) may occur.

Needs of training

Training needs will have to correspond to the overall development of vehicle technology and design. The quality of in-house training is recognized already by the distributor and plans

are in place to raise the standards which are going to be required. The need for public centres to co-operate with distributors will increase so as to develop sales and parts courses to meet their needs and provide national qualifications for their staff. Non-franchise dealers will have to invest more time than before in CVT training, so as to maintain their standards.

Quality of training
The quality of technical training is to a very high standard. A national recognized training plan is needed in parts, sales and general management training, which the industry should introduce for its members. This training can then be standardized by various means of monitoring to ensure its quality. At present only a few manufacturers have any formal training plans in the areas mentioned.

Training days in the sector (public centre)
The number of training days by day per employee is small after apprenticeships, unless special courses are arranged by the centres. The numbers attending public centres for CVT in the evening time is quite high where courses are available, which is only in a small number of cities and is on the employees own time.

In service training centre (distributor training)
The predominant mode of training for technical and parts courses is in the training centre of the distributor. This averages 2 days per year per employee. Some distributors also use local garages and at present one such distributor is encouraging dealers to have a technical reading and video room for its staff on its premises.

In-firm training (franchise dealer)
A considerable amount of local training is given, usually in-firm. This training takes place when new modifications are introduced and when problems arise with the introduction of new models. It is normally carried out by the person who has attended the course.

75

3. APPENDICES

3.

Appendix 1

Census of services 1988

3.1 Motor industry classifications

Motor vehicle sales

Outlets where motor vehicles accounted for 20% or more of retail sales.

Repair and service garage

Outlets where 50% or more of retail turnover was accounted for by repair and servicing of motor vehicles and by the sale of petrol and oil, with possibly, a limited amount of vehicle sales (not exceeding 20% of total turnover).

Filling station

Outlets where petrol and oil accounted for 80% or more of retail turnover with no motor vehicle sales. Where the only items sold were non-garage items, e.g. sweets and groceries the 80% condition was reduced to 50%.

Motor tyres

Outlets where 50% or more of turnover was accounted for be tyres.

Car accessories

Outlets where car accessories accounted for 50% or more of retail turnover.

Appendix 2

3.2 Summary of main characteristics and employment in motor vehicle sector

Distribution of firms in retail motor trade by control type

Section 1 – Distributors		%
Type A	(Subsidiaries of car producers – controlled by manufacturer)	20
Type B	(Subsidiaries of car producers – independent of car manufacturer)	80
Section 2 – Retailers		
Type C	(Authorized distribution & repair workshop linked to car distributor)	0.3
Type D	(Authorized distribution & repair workshop independent, but linked to car distributor)	48.3
Type E	(General car repair workshops/ bodyshops non-franchised dealers)	51.7
Type F	(Specialized component workshops)	4.0

Retailers' figures from private survey

Distribution of distributors by type size (Estimated)

Type	% of firms
Type 1 (1 to 4 employed)	0
Type 2 (5 to 9 employed)	10
Type 3 (10 to 19 employed)	25
Type 4 (20 to 49 employed)	30
Type 5 (50 + employed)	35
	100

Distribution of retail firms by type size

Type	% of firms
Type 1 (1 to 4 employed)	75.0
Type 2 (5 to 9 employed)	12.0
Type 3 (10 to 19 employed)	10.0
Type 4 (20 to 49 employed)	3.0
Type 5 (50 + employed)	–
	100.0

Average number of employees per firm: 3.9

Average number of motor vehicles per employee 83.7

Distribution of brand names:

Top 10 makes in 1991

Makes	Market share %
Toyota	15.5
Ford	14.3
Nissan	12.4
GM (Opel)	10.3
VW/Audi	8.5
Mazda	6.0
Peugeot	4.9
Mitsubishi	4.1
Renault	4.0
Fiat	3.0
Honda	3.0

Note: Market shure of remaining makes shown in table 2.3

76

Number of motor vehicles

Total car population:	828,225
Total vehicle population: (all vehicles)	1,096,852

Production of motor vehicles

Volume of production:	NIL

Export/Import

Number of new cars imported and re-exported in 1991:	7,500
Number of new cars imported in 1991:	72,500
Number of used cars imported in 1991	10,000

Motor vehicle sector and GNP

The share of motor vehicle sector of gross national product in 1991 was 6.2%.

Number of persons per car	4.3

Employment and labour

Repair and distribution sector

Number of firms:	(CSO Figures 1988)	2,546
	(Private Survey 1992)	2,100
Number of employees:		9,888

Repair sector only

Number of firms:	(CSO Figures 1988)	1,769
	(Private Survey 1992)	1,438
Number of employees:		2,977

Distribution sector only

Number of firms:	(CSO Figures 1988)	777
	(Private Survey 1992)	662
Number of employees:		6,911

Specialist component sector

No published data available.
(Repair of components)

Estimate:

Number of firms:	60
Number of employees:	300

Analysis of number of employees in vehicle sales outlets and repair garages

Apprentices (all categories)	2,269
Mechanics/Technicians	4,600
Salespersons	1,200
Partspersons	1,000
Administration – clerks	700
– managerial	300
Unskilled workers	1,000
Total	11,069

77

Appendix 3

3.3 Vehicle population – Ireland

Year	Private cars	Goods vehicles	All other vehicles	Total
1980	734,371	65,052	111,608	911,031
1981	774,594	67,014	108,210	949,818
1982	709,000	68,087	105,053	882,140
1983	718,555	69,978	108,848	897,381
1984	711,098	84,103	110,908	906,109
1985	709,546	93,369	111,843	914,758
1986	711,087	101,475	109,922	922,484
1987	736,596	111,023	112,134	959,753
1988	749,459	118,764	113,073	981,296
1989	773,396	130,020	116,144	1,019,560
1990	796,408	143,166	114,685	1,054,259
1991	828,225	148,882	119,745	1,096,852

Source: Department of the Environment

Appendix 4

3.4 New vehicle registrations

Year	Passenger cars	Light commercial vehicles	Heavy commercial vehicles
1980	93,622	8,815	3,952
1981	106,074	9,058	3,499
1982	72,829	9,322	3,141
1983	60,768	9,319	2,197
1984	56,451	11,489	2,458
1985	60,428	13,427	2,740
1986	59,760	12,351	2,493
1987	55,732	11,280	2,067
1988	62,381	13,386	2,197
1989	77,901	19,237	3,076
1990	81,243	24,935	3,415
1991	67,749	16,572	2,356

Source: Society of the Irish Motor Industry Statistical Service (derived from Central Statistics Office Vehicle Registration Results).

Note: heavy commercial vehicles include buses.

Appendix 5

3.5 Census of services 1988

	No. of outlets	Turnover 000	Wages/salaries 000	No. of persons engaged	No. of persons employed
Motor vehicle sales	777	878,128	52,123	7,260	6,911
Repair & service garages	1,769	181,248	16,165	4,804	2,977
Filling stations	1,068	384,949	11,760	3,822	2,506
Motor tyres	142	24,437	2,383	397	340
Car accessories	163	31,418	2,800	511	417
Wholesale motor vehicles & accessories	563	1,084,181	85,404	6,504	6,412
Total motor industry	4,482	2,584,361	170,635	23,298	19,563

Source: 1988 Census & Services (C.S.O.)

Appendix 6

3.6 Age of cars in use

Proportion of total car population

		1989	1990
Less than	1 year old	7.4%	9.3%
	1 year old	8.0%	9.4%
	2 years old	6.6%	7.4%
	3 years old	7.2%	6.4%
	4 years old	7.2%	7.1%
	5 years old	6.9%	7.4%
	6 years old	7.2%	7.0%
	7 years old	8.2%	7.0%
	8 years old	10.9%	7.7%
	9 years old	9.0%	9.6%
	10 years old	7.3%	7.1%
	11 years old	6.3%	5.5%
	12 years old	3.6%	4.4%
	13 years old	1.5%	2.1%
	14 years old	0.7%	0.9%
	15 years old	0.5%	0.4%
Greater than	15 years old	1.5%	1.4%
		100%	100%
	5 years old & over	63.6%	60.4%
	7 years old & over	49.5%	46.0%
	10 years old & over	21.4%	21.7%

Source: Department of the Environment.

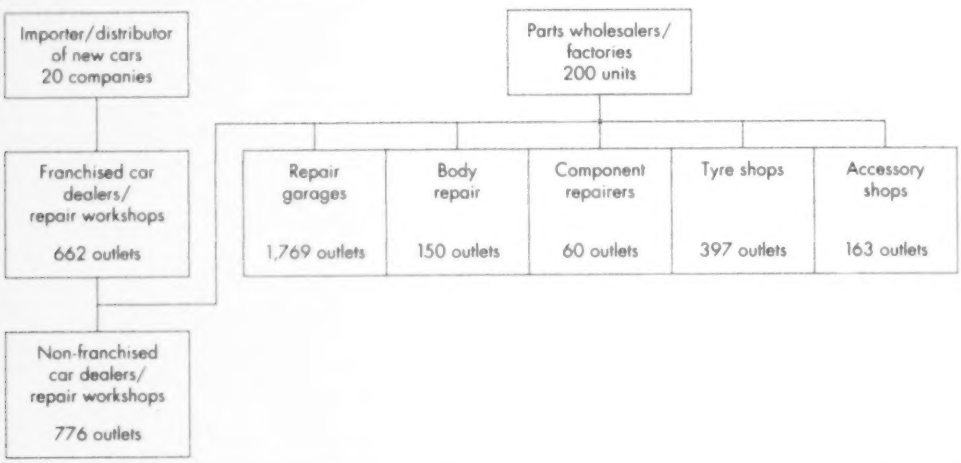
Appendix 7

3.7 Car density in Europe

Country	No. of Persons per Car
Belgium	2.7
Denmark	3.2
France	2.4
Germany (West)	2.0
Greece	6.5
Ireland	4.3
Italy	2.4
Luxembourg	2.1
Netherlands	2.7
Portugal	6.9
Spain	3.4
United Kingdom	2.5
EC average	2.6

Appendix 8

3.8 Sketch plan of the Irish Motor vehicle sector


Importer/distributor of new cars 20 companies
Parts wholesalers/ factories 200 units
Franchised car dealers/ repair workshops 662 outlets
Repair garages 1,769 outlets
Body repair 150 outlets
Component repairers 60 outlets
Tyre shops 397 outlets
Accessory shops 163 outlets
Non-franchised car dealers/ repair workshops 776 outlets

79

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